

STATE ALLOCATION BOARD

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Date: July 24, 2006

To: Interested Parties

Subject: **NOTICE OF THE STATE ALLOCATION BOARD
IMPLEMENTATION COMMITTEE MEETING**

Notice is hereby provided that the State Allocation Board Implementation Committee will hold a meeting on Thursday, August 3 and Friday, August 4, 2006 (9:30 a.m. – 3:30 p.m.) in the Legislative Office Building located at 1020 “N” Street, Room 100, Sacramento, CA.

The Implementation Committee’s proposed agenda is as follows:

August 3, 2006

1. Convene Meeting.
2. Supplemental Funding for Accessibility Requirements on Modernization Projects.
Information item on proposed changes to Regulation Section 1859.83(f) regarding the excessive cost hardship grant for handicap access and fire code requirements.
3. Implementation of Chapter 35, Statutes of 2006 (Assembly Bill 127 – Nunez/Perata).
Discussion, in the following proposed order, on several provisions contained within the statute:
 - Small High School Program
 - Charter School Facilities Program
 - High Performance Schools Incentive Grant

August 4, 2006

1. Convene Meeting.
2. Implementation of Chapter 35, Statutes of 2006 (Assembly Bill 127 – Nunez/Perata).
Discussion, in the following proposed order, on several provisions contained within the statute:
 - Grant Increase
 - Career Technical Education Program

The goal is to address these items on the dates identified above, however, it may be necessary to carry over one or more items for discussion on Friday, August 4th.

Any interested person may present public testimony or comments at this meeting regarding the issues scheduled for discussion. Any public input regarding unscheduled issues should be presented in writing, which may then be scheduled for a future meeting. For additional information, please contact Ms. Deah Johnson at (916) 445-3377.

A handwritten signature in cursive script that reads 'Maivonne Garrity'.

MAVONNE GARRITY, Chairperson
State Allocation Board Implementation Committee

MG:lm

STATE ALLOCATION BOARD
IMPLEMENTATION COMMITTEE

Pending Items List
August 3 & 4, 2006

A. Future Items

- Site Sale Proceeds

Discussion on proposed regulatory amendments regarding proceeds from the sale of a site funded in whole or part with State funds.

B. Suspended Items

- Alternative Education Loading Standards and Funding

Discussion on the loading standards and adequacy of the funding provided for continuation high, community day, and county community day schools under the School Facility Program.

STATE ALLOCATION BOARD
IMPLEMENTATION COMMITTEE MEETING
August 3, 2006

EXCESSIVE COST HARDSHIP GRANT FOR
ACCESSIBILITY REQUIREMENTS ON MODERNIZATION PROJECTS

PURPOSE OF REPORT

To present proposed School Facility Program (SFP) regulation changes to the excessive cost hardship grant for accessibility and fire code requirements.

BACKGROUND

Currently under SFP Regulation Section 1859.83 (f), a modernization project is eligible for an amount equal to three percent of the modernization base grant for handicapped access and fire code requirements. Regulations were presented at the July 21, 2006 Implementation Committee meeting proposing that access compliance requirements be reviewed and funded on a project-by-project basis. Based on the discussions at the meeting, changes were made to the regulation calculating the amount a district can receive for access compliance.

AUTHORITY

Government Code Section 4450(a) states that it is the purpose of this chapter to ensure that all buildings, structures, sidewalks, curbs, and related facilities, constructed in this state by the use of state, county, or municipal funds, or the funds of any political subdivision of the state shall be accessible to and usable by persons with disabilities.

Pursuant to Government Code Section 4454(a), where state funds... are utilized for the construction of elementary school, secondary school, or community college buildings and facilities subject to this chapter, no contract shall be awarded until the Department of General Services has issued written approval stating that the plans and specifications comply with the intent of this chapter.

Pursuant to California Education Code Section 17075.10(b)(2) a school district may apply for hardship assistance if it can demonstrate that due to unusual circumstances that are beyond the control of the district, excessive costs need to be incurred in the construction of school facilities. The State Allocation Board (SAB) Legal Counsel has opined that the authority to revise the grant for accessibility requirements is the same as the authority in which the three percent grant was based.

STAFF COMMENTS

Grant Determination

As previously discussed, the excessive cost hardship grant will be determined based on the actual eligible hard construction costs to complete the minimum work necessary for access compliance as determined by the Division of the State Architect (DSA) and the Office of Public School Construction. The State and district matching shares of the base grant and the excessive cost hardship grant cannot exceed 50 percent of the replacement cost. Therefore, the excessive cost hardship grant (State plus District matching share) for access compliance cannot exceed the difference between the New Construction Grant and the sum of the State and district share of the modernization project's base grant. Since seven percent of the Modernization Grant is for access compliance, the excessive cost hardship

grant for access compliance will be the difference of the actual costs required and verified minus seven percent of the base grant not to exceed the cap as described above. The illustration below demonstrates how the excessive cost hardship grant is calculated and how the seven percent is applied:

Calculation of Maximum Grant

Current Year NC Base Grant		State Share plus District Share for Modernization		Maximum grant allowable for accessibility requirements
\$7,082	-	\$5,098	=	\$1,984

Examples of Calculation

Minimum Work Verified by DSA		7% Included in Base Grant		Difference	Excessive Cost Grant @ 100%
\$2,000	-	\$357	=	\$1,643	\$1,643
\$2,500	-	\$357	=	\$2,143	\$1,984
\$350	-	\$357	=	- \$7	\$0.00

If the modernization project is replacement in like kind pursuant to Regulation Section 1859.79.2(a)(1), Staff is proposing that the excessive cost hardship grant be three percent of the modernization base grant.

RECOMMENDATION

Present the proposed regulations as submitted at the next available SAB meeting.

Includes OAL approvals and Secretary of State filings of 10/08/99, 10/13, 12/22, 01/07/2000, 04/12, 06/26, 07/17, 09/12, 12/27, 01/02/2001, 04/05, 07/25, 08/13, 12/21, 04/10/2002, 06/01, 08/12, 09/09, 09/16, 10/04, 11/04, 01/16/2003, 02/06, 02/13, 02/27, 05/01, 07/07, 05/21/2004, 06/01, 07/02, 07/22, 11/02, 11/04, 11/10, 12/06, 12/20, 01/31/2005, 02/03, 02/15, 02/23, 02/28, 03/02, 04/26, 05/24, 05/26, 10/27, 10/31, 03/14 and 05/15/2006

...

Section 1859.83. Excessive Cost Hardship Grant.

In addition to any other funding authorized by these Regulations, a district is eligible for funding as a result of unusual circumstances that created excessive project costs beyond the control of the district. The Excessive Cost Hardship Grant shall be based on any of the following:

...

- (f) Excessive cost due to ~~handicapped access~~ accessibility and fire code requirements.
- (1) ~~The district is eligible for a Modernization Excessive Cost Hardship Grant equal to three percent of the Modernization Grant for handicapped access and fire code requirements. The Modernization Excessive Cost Hardship Grant shall be 60 percent of the amount determined in (A), not to exceed 60 percent of the amount determined in (B), calculated as follows:~~
 - (A) Determine the difference of the verified hard construction costs of the minimum accessibility work necessary to receive approval from the DSA and seven percent of the sum of the Modernization Grant and the district matching share of the Modernization Grant required pursuant to Section 1859.79.
 - (B) Determine the difference of (1) minus (2):
 - 1. Multiply the pupils requested in the application by the New Construction Grant.
 - 2. The sum of the State and district share of the pupils requested on the Form SAB 50-04 multiplied by the grant determined pursuant to Section 1859.78 and 1859.78.3.
- ~~(2) Projects constructed pursuant to Section 1859.79.2(a)(1) may be provided a Modernization Excessive Cost Hardship Grant equal to three percent of the Modernization Grant.~~
- ~~(3)~~ (3) The district is eligible for a Modernization Excessive Cost Hardship Grant of:
 - (A) \$80,000 for each new two-stop elevator required to be included in the project by the DSA if the Approved Application was received on or before April 29, 2002.
 - (B) \$60,000 for each new two-stop elevator required to be included in the project by the DSA if the Approved Application is received after April 29, 2002.The amounts shown in (A) and (B) above shall be adjusted annually in the manner prescribed in Section 1859.78.
- ~~(3)~~ (4) The district is eligible for a Modernization Excessive Cost Hardship Grant of:
 - (A) \$14,400 for each additional stop of the new elevator required in (2) above if the Approved Application was received on or before April 29, 2002.
 - (B) \$10,800 for each additional stop of the new elevator required in (2) above if the Approved Application was received after April 29, 2002.The amounts shown in (A) and (B) above shall be adjusted annually in the manner prescribed in Section 1859.78.

Note: Authority cited: Sections 17070.35 and 17075.15, Education Code.

Reference: Sections 17072.32, 17074.15, 17074.16, 17075.10, 17075.15, 17077.40, 17077.42 and 17077.45, Education Code.

STATE ALLOCATION BOARD
IMPLEMENTATION COMMITTEE MEETING
August 3, 2006

CHARTER SCHOOL FACILITIES PROGRAM
REGULATION AMENDMENTS

BACKGROUND

AB127 makes changes to the Charter School Facility Program (CSFP) should the voters approve an additional \$500 million as part of Proposition 1D which will be presented on the November 2006 ballot. In an effort to implement the changes required by the law, the OPSC brought program changes before the Implementation Committee on July 7th and 21st.

The issues that were resolved at the previous meetings included such changes to the program as the removal of funding and site acreage caps, how the median cost per acre of land is calculated, how the preference points are rounded, and the way in which the OPSC will verify that charter schools provided the school district with notification of their intent to apply. Also discussed were two new application procedures requiring that the district and charter school must consider facilities under Proposition 39 prior to applying, and that a narrative description of the project must be included as part of a complete application submittal. Further, it was clarified that savings would not be allowed under the program, regardless of funding round. Decisions were also made for the CSFP Rehabilitation component about funding amounts, funding limits, matching share requirements, duplication of funding with Deferred Maintenance and the requirement that displaced capacity and MEFs must be replaced.

The issues for continued discussion are outlined in the remainder of this item.

DISCUSSION

Filing Period

To allow districts and charter schools adequate time to compile an application package after considering Proposition 39 facility requests (which are due October 1st of each year), the CSFP filing period for preliminary applications outlined in Regulation Section 1859.161 will be changed to begin 90 calendar days after the election authorizing additional funding and continue for a period of 120 calendar days thereafter.

Eligibility and Adjustments for CSFP Projects

- A District does not need to demonstrate new construction eligibility for a CSFP project to be submitted or apportioned.
- Projects previously funded under the CSFP are ineligible to apply for this round of CSFP funding.
- AB127 changes the way in which eligibility is adjusted for the construction of the charter school projects, based on the number of the district's un-housed students

Eligibility and Adjustments for CSFP Projects (continued)

pursuant to Article 3 (commencing with Section 17071.75) that the project will house. The CSFP regulations will be amended to include the following methods that will be used to determine the necessary new construction eligibility adjustments required under the CSFP (eligibility adjustments will occur regardless of whether the district demonstrates positive or negative eligibility):

District Submitting on Behalf of a Charter School

- For districts applying on behalf of a charter school, the district will indicate the number of unhoused pupils the project will serve. The new construction eligibility will be reduced by this number.
- The project funding will be granted based on the pupil grant request (which equates to capacity). The pupil grant request and the number of unhoused pupils served will not necessarily be equal, however, if they are not equal then the district must provide to the OPSC the methodology/reasoning used to determine the number of unhoused pupils the project will serve.

Charter School Submitting on Its Own Behalf

- For charter schools applying independently of the district, the governing board of the district where the project will be physically located will certify to the number of the District's un-housed pupils that the charter school project will provide housing for. The district's new construction eligibility will be reduced by the number of pupils on the certification. The pupil grant request and the number of unhoused pupils certified to will not necessarily be equal.
- The certification, in the form of a board resolution, should be signed by a school board member and submitted as a part of the Preliminary Apportionment application. Prior to submitting the certification the school board must have discussed the issue at a regularly scheduled, publicly held board meeting. The item must be presented as an action item and the supporting documentation used to generate the number of district un-housed pupils included in the project certified to must have been presented to the public as part of the agenda or public notice. The OPSC will require the submittal of the board resolution, the supporting documentation and the meeting minutes related to the determination of the number of housed pupils. The OPSC will review the certification at the time of submittal and reserves the right to audit any information at any time.
- The district must submit the certification, in the form of a board resolution, and supporting minutes to the charter school or the OPSC within 90 days from the date the charter school notifies the district of its intent to apply to the CSFP. The charter school's notification to the school district should also include a request for the district to update its enrollment for the current school year by completing an Enrollment Certification/Projection (Form SAB 50-01). The Form SAB 50-01 will be necessary to determine if the District has any unhoused pupils as determined by the School Facility Program. The Form SAB 50-01 is also necessary to update for current enrollment in order to calculate the percentage of overcrowding when determining preference

Eligibility and Adjustments for CSFP Projects (continued)

points per project. If the charter school does not request the certification in its notification to the district, resulting in the district being unable to provide the requested information within the specified time period, the Preliminary Apportionment application will be returned to the charter school as incomplete.

Rehabilitation

AB127 adds to the CSFP an option for districts or charter schools to submit an application for the rehabilitation of existing district facilities for charter school purposes.

- For purposes of the CSFP, the definition of “Charter School Facility Program Rehabilitation” work may include but will not be limited to structural changes or other types of work on an existing district facility that extend the useful life of or enhance the physical environment of the school.
- Pursuant to EC 17078.54(a), facilities to be rehabilitated need only be 15 years of age at the time of the preliminary apportionment application and not previously built or modernized with SFP funds, regardless of permanent or portable designation. The age of the facilities is determined by the date of the DSA approval for the facility plus 12 months.
- An application for a rehabilitation project may be submitted by the district on behalf of a charter school or by the charter school independently. If the charter school submits the application independently, the district and charter school must have entered into an agreement for the use of the facility to be rehabilitated. The agreement must be submitted as part of the application package. The agreement must have been discussed and approved at a school board meeting. It is important to note that for OPSC purposes the entity submitting the application is the applicant. The applicant will receive fund releases, be accountable for certifications, and be responsible for answering OPSC inquiries.
- For rehabilitation projects in which a district has provided an entire school campus for a charter school’s use, the amount of funding will be determined by adding the square footage of all the MEFs (multi-purpose, library, gym, admin) and the square footage for the number of classrooms the charter school is entitled to use based on the State loading standards of 25 pupils per K-6 classroom, 27 pupils per 7-12 classroom, 13 pupils per non-severe classroom, and 9 pupils per severe classroom. Additional classrooms at the site may be rehabilitated and used by the charter school (assuming the agreement with the district permits this) however additional funding will not be provided. The cap of the new construction dollar amounts still applies. The following example demonstrates this concept:

Rehabilitation (continued)

Example

Elementary School A is an existing facility that has:

20 classrooms that are 960 sq. ft ($960 \times 20 = 19,200$ sq. ft)

1 multi-purpose room of 5,000 sq. ft

1 administration facility of 3,000 sq. ft

1 library of 1,000 sq. ft

2 restrooms totaling 700 sq. ft

Total sq. ft of the campus = 28,900

Charter School A has a projected enrollment of 215 students in grades K-5 (based on projections submitted to CSFA, but not to exceed the maximum number of pupils allowed under the current charter petition). Using the State loading standard of 25 students per classroom the charter school would be allowed 9 classrooms and would be eligible for funding for the following area at Elementary School A:

9 classrooms that are 960 sq. ft ($960 \times 9 = 8,640$ sq. ft)

1 multi-purpose room of 5,000 sq. ft

1 administration facility of 3,000 sq. ft

1 library of 1,000 sq. ft

2 restrooms totaling 700 sq. ft

Total sq. ft of the campus = 18,340

Funding would be:

$17,640 \times \$130 = \$2,293,200$ (other)

$700 \times \$236 = \$165,200$ (toilet)

\$2,458,400 total State Share amount

This number would be compared to the new construction allowance based on the pupil capacity of 9 CRs/225 pupil grants at the K-6 grant amount of \$7,082. This equals **\$1,593,450 for the State share amount**. The funding for the project in the above example would be capped at this amount plus any additional grants the project qualified for (multi-level, urban, etc.).

- To avoid duplication of funding with the modernization program the following approach will be used:
 1. For school sites that have not yet established modernization eligibility the age of any buildings rehabilitated under the CSFP will be based on the date the rehabilitation funds were approved under the CSFP conversion application. The OPSC will track this information and verify it for modernization eligibility applications not yet submitted.

Rehabilitation (continued)

2. For school sites that have established eligibility but have not received modernization funds under the SFP for any of the facilities on the site, the OPSC will adjust the modernization eligibility to exclude the buildings to be rehabilitated under the CSFP. The eligibility will be adjusted by either the square footage or the pupil capacity of the project, depending on how the eligibility for the site was established.
3. For school sites that have established eligibility and received funding for all or some of the eligible buildings, but have not exhausted all of the eligibility (for example, a district used 100 of 500 pupil grants to upgrade the HVAC for the entire campus) the site will be eligible for CSFP rehabilitation funds. However, the rehabilitation apportionment will be offset by the previous amount of modernization funding received for the building(s) to be rehabilitated (pro-rated as appropriate).
4. For school sites that have generated eligibility from all facilities on site, and have received SFP funding for all of the eligibility, the site will not be eligible for CSFP Rehabilitation funds, regardless of whether the facilities generating the eligibility actually received the benefit of the funding.

Preference Points for Using an Existing District Facility

AB127 directs the Board to give preference to projects that utilize existing facilities. Existing law gives preference to charter schools in overcrowded school districts, charter schools in low income areas and charter schools operated by not-for-profit entities. The CSFP regulations will be revised to add a new category of preference points for “Existing Facilities”. The preference points will be allocated as follows:

Existing Facilities =	65 points
Overcrowding =	40 points (maximum) using the distribution currently in regulation
Low Income =	45 points (maximum) using the free/reduced lunch % per regulation
Non-Profit =	<u>20 points</u>
Total =	170 points

The non-profit points will be available for non-profit charter schools applying independently and for districts submitting a rehabilitation application on behalf of an independent charter school.

Preliminary Site Size Determination

As AB127 removes the cap on the site acreage, there will no longer be the requirement that the charter project can purchase a site up to 50% of the maximum site size for a traditional school.

To more accurately identify the recommended site size, the multiplier method of calculating per pupil acreage amounts will no longer be used. For the next funding rounds charter schools will obtain an estimated acreage for the project from CDE. Charter schools will work with CDE to obtain this acreage amount prior to the submission of the preliminary apportionment application.

Preliminary Site Size Determination (continued)

As with the previous funding rounds, if there is a leftover amount from the site acquisition funds determined at the preliminary apportionment, it will not automatically become available for construction costs. The amount of funding provided for construction is dependent on the pupil grants and additional grants warranted by the proposed project and not by the preliminary apportionment amount. If at the time of conversion the application justifies additional construction related grants and there is extra site acquisition money, the funds can be moved to the appropriate construction grant. However, if no additional construction related grants or costs such as site development are justified, the additional site acquisition funds will go back into the unreserved account.

Fund Release – Tri-party agreements must be signed

The Form SAB 50-05 will be modified so that for advance release of site funds and fund releases for the final apportionments, the charter/district must indicate that the MOU, Funding agreement and User agreements have been executed. Per our legal counsel opinion, the OPSC will not release funds prior to these documents being executed. This change will apply to all projects funded under the CSFP, regardless of filing period or bond fund source. The OPSC has discussed this issue with CSFA and both agencies concur that this requirement is appropriate.

Free and Reduced Lunch Methodology Clarification

To facilitate the processing of the CSFP applications, the definition of “Low-income” in the SFP Regulations will be amended to read:

“...shall be the percentage of pupils to be deemed eligible for free/reduced lunch as identified in the most recent Free and Reduced Price Meals data on file at the CDE. The data on file with CDE shall be determined to be the information collected in the month of October, and any errors and omissions amendments to that information for that time period that have been received and approved by the CDE.”

Changes to the information after that time period that reflect data collection from a different point in time, regardless of reporting or acceptance by the CDE, will not be accepted. For charter schools that do not report this information, the information from the school closest to where the charter school is currently located or where the project will be located may be used. No other data collection methods may be used to generate the free and reduced lunch percentage, as the information collected may not be equitable. For example, information collected in compliance with the Eligibility Guidelines of the National School Lunch Program, while similar, may not be used as the data collection method differs somewhat from the collection method used to report the Title 1 Free and Reduced Meal Counts to CDE.

Locale Codes Used to Determine the Urban, Rural and Suburban Classification

Previous funding rounds used census data in the form of locale codes verified by the National Center for Education Statistics (NCES) to determine whether the proposed location for the charter school was in an urban, rural or suburban area. The locale code of the school closest in proximity to the proposed location was used for the CSFP application.

Locale Codes Used to Determine the Urban, Rural and Suburban Classification (continued)

The locale codes were previously identified under the CSFP as:

Classification	NCES Locale Code
Urban	1
Suburban	2,3,4,5
Rural	6,7,8

The Locale Code system was changed in March 2006 based on the 2000 decennial census. As a result of this change, the classifications will now reflect the new urban-centric locale codes as follows:

Classification	NCES Locale Code
Urban	11, 12, 13
Suburban	21, 22, 23, 31, 32, 33
Rural	41, 42, 43

For more information on the definitions of the previous and current locale codes please see the NCES website at <http://nces.ed.gov>.

Preference Points Tie Breaker Methodology

Previous experience by the OPSC with the first two rounds of CSFP funding revealed that it is possible to have ties in preference points. This can make it difficult to establish a funding order in the case when the program is oversubscribed. Prior to the second round of funding, the preference point calculations were modified to attempt to lessen the number of ties. However, when many projects are submitted in the same district, the preference points may still be the same, as was the case with the second round of funding. Date received was used as a tie breaker, but it is possible for multiple applications to have the same received date.

To resolve this issue the following tie breakers will be used for those applications with the same number of preference points in the same category that were received by the OPSC on the same day:

1. Projects submitted by entities that have not previously received funding under the State School Facility Program, Charter School Facilities Program or the State Charter School Facilities Grants Incentives Program will be funded before those that have received said funding.
2. Projects proposing to use existing facilities will be funded before projects that propose to build new facilities.
3. Projects that provide more seats to relieve overcrowding will be funded first (to make this calculation the OPSC will divide the number of unhoused pupils pursuant to Article 3 that the project will house by the remaining new construction eligibility in the District).
4. If all of the categories for tie breakers mentioned above have been used and there is still a tie, a lottery system will be used to determine which application is funded first.

STATE ALLOCATION BOARD
IMPLEMENTATION COMMITTEE
August 4, 2006

CAREER TECHNICAL EDUCATION FACILITIES PROGRAM

BACKGROUND

Assembly Bill 127, Chapter 35, Statutes of 2006, (Nunez/Perata) will enact the Kindergarten-University Public Education Facilities Bond Act of 2006 pending the November 4, 2006 ballot. This bill establishes the Career Technical Education Facilities Program (CTEFP) and provides \$500,000,000 to fund the program. The purpose of CTEFP is to provide funding to qualifying local educational agencies for the purpose of constructing new facilities or reconfiguring existing facilities to enhance the educational opportunities for pupils in order to provide them with the skills and knowledge necessary for the high-demand technical careers of today and tomorrow.

AUTHORITY

Article 13, Assembly Bill 127, Chapter 35, Statutes of 2006, (Nunez/Perata). See Attachment A.

DISCUSSION

Basic Program Components

The CTEFP was created to provide students with the skills and knowledge necessary to prepare them for high demand technical careers. CTEFP funds may be provided to qualifying local education agencies for the purposes of constructing new facilities. Funds may be allocated to comprehensive high schools and/or joint powers authorities (JPA) in order to modernize existing facilities to enhance educational opportunities for pupils. The funding includes, but is not limited to, purchasing equipment that has an average useful life expectancy of at least ten years. Facilities that include instructional space for one or more of the 15 Career Technical Education Industry Sectors recognized by California Department of Education (CDE) (Attachment B) will be considered for the program.

The CTEFP grants may be used for new construction or the modernization of existing facilities. Grants for new construction shall not exceed \$3 million per project per school site and grants for modernization shall not exceed \$1.5 million per project per school site.

Funding

CTEFP funding will be available for different types of projects, including new school construction, stand alone new construction, and modernization. Grants allocated under this program shall be determined on a per square foot basis and the per square foot allowance shall include construction and equipment costs.

The applicant contribution shall be equal to the state funds awarded for the CTEFP, regardless of the application type. The matching funds may come from private industry groups, the school district, or a joint powers authority. The match may be repaid over a period of time if sufficient local funds are not immediately available.

Staff is evaluating the length of repayment for the district's CTEFP match, but it is expected to be between five to 30 years.

Financial Hardship

Financial Hardship status does not apply to CTEFP funding; the matching local contribution may not be waived under any circumstance. A Financial Hardship school district may apply to the regular School Facility Program (SFP), but if requesting CTEFP funds, the district or their partners will have to supply the CTEFP matching contribution.

New Construction

Grants shall be allocated for facilities included in a new school project or constructed as a stand-alone project. The grant shall not exceed \$3 million per project per school site and shall be awarded only to comprehensive high schools that have an active Career Technical Advisory Committee (CTAC), pursuant to EC Section 8070 (Attachment C).

- New School Project
 - CTEFP grants, on a square foot basis, provide a supplement to the per pupil grant (pursuant EC Section 17072.10).
 - Grants are intended to cover excess costs uniquely related to the facilities required to provide CTE program or programs.
- Stand-alone project
 - Grants are determined on per square foot basis

Modernization

CTEFP grants may be awarded to a comprehensive high school or JPA currently operating a Career Technical Education (CTE) program that has an active CTAC. The grants shall not exceed \$1.5 million per project per school site.

- Modernization projects
 - For comprehensive high schools, the grant shall supplement any per pupil allocation pursuant to section 17074.10.
 - CTEFP grants are intended to cover excess cost uniquely related to the facilities required to provide CTE program or programs.

Statute specifically recognizes “reconfiguration” as a method to provide CTE facilities and states that limited new construction may be included in the plans. Similar to the Joint-Use program, if reconfiguration includes removal or displacement of classrooms or existing minimum essential facilities (MEF), then the modernization project must also include limited new construction to replace those MEF. If there is no modernization eligibility, the project can not displace classrooms or MEF.

Grant amount

CTEFP grants are to be allocated on a per-square-foot basis. It is anticipated that the grant amount will be calculated by multiplying the square footage of CTE facilities in the project by an appropriate multiplier for each CTE sector. The resulting grant will be inclusive of CTE equipment. There is substantial variation in the facilities and equipment requirements among the CTE industry sectors so it is anticipated that more than one per-square-foot allowance will be established, based on the industry sector identified for the facility.

Square footage allowances are currently being researched.

Site development costs may be included in the CTEFP grant if not requested on an accompanying new construction funding application. If requesting CTEFP funding for a New

Construction, New School project, all site development costs should be included on the Form SAB 50-04 for the associated school. If requesting CTEFP funding for a New Construction, Stand Alone project, only site development for the CTE facility should be included on the CTEFP application.

Separate site development costs are not available for CTEFP Modernization projects. These costs are considered in the CTEFP square footage allowance.

CTEFP applications will be eligible for excess cost allowances, such as small size, geographic, or urban/security, if not requested on an associated Form SAB 50-04 for the same CTE facility.

Career Technical Education Program Evaluation

Pursuant to Section 17078.72(b), CDE will work with the Chancellor's Office of the Community Colleges, the Labor and Workforce Development Agency, and industry groups, and shall develop criteria and pupil outcome measures to evaluate the program. The criteria shall ensure equity, program relevance to industry needs, and articulation with more advanced coursework at the partnering community colleges or private institutions.

Prior to applying for CTEFP funds, the applicant must develop a plan that incorporates the standards identified in Section 17078.72(b) and includes the following specific requirements per Section 17078.72(i):

- A CTE plan for each course of approved study applicable to the instructional space;
- Projections of pupil enrollment;
- Identification of feeder schools, industry partners, and community colleges or other postsecondary schools participating in the development, articulation, and review of the education program;
- Evidence of approval of the plan by the entities listed above;
- Method of accountability for pupil enrollments and outcomes;
- Evidence of coordination with all feeder schools, middle schools, and high schools within the area to ensure that the project and programs complement CTE offerings in the area;
- Evidence that upon completion of the project the local educational agency will meet all of its obligations under Section 51228 relating to CTE.

The document will be evaluated and used, in part, to establish funding priority of applications requesting the CTEFP funding.

Eligibility Requirements

Demonstration of new construction or modernization eligibility is not a requirement to participate in the CTEFP. However, if the school district has new construction eligibility or the school site has modernization eligibility, then the District is encouraged to utilize the available eligibility.

Facilities that generate modernization eligibility will be considered modernized if reconfigured with CTEFP funds and the age of the building will start over. Further, districts that use CTEFP reconfiguration funds on a facility that does not generate eligibility will have the date of the facility updated. Therefore, it is to their advantage to use available modernization eligibility.

Application Process

CTEFP will use a separate form in conjunction with the *Application for Funding* (Form SAB 50-04), similar to *Application for Joint-Use Funding* (Form SAB 50-07) used for Joint-Use program. The separate application form will allow for multiple CTEFP requests associated with single Form SAB 50-04. The separate form will also facilitate comparison of applications for determination of funding order.

The CTEFP Form will identify, at a minimum, the type of project, square footage of CTE facilities in the project, excessive costs, and district priority. The application will designate the type of project as one of the following:

- New Construction, New School Project
- New Construction, Stand Alone Project
- Modernization Project

The application will also include DSA approved plans that identify the CTE facilities.

Funding Cycle and Project Priority

Section 17078.72(j) requires that “weight” be given to applications based on several factors. This “weighing” of applications requires comparison of applications and assignment of funding priority. This will be accomplished through an annual funding cycle.

Funding priority within each cycle will be determined by an analysis of the CTE plan developed pursuant to Section 17078.72(b) and (i). Additional factors to be considered are outlined in Section 17078.72(j) and include:

- Number of pupils expected to attend;
- Cost per pupil;
- Financial participation by industry partners in the construction and equipping of facility;
- Commitment to accountability for outcomes and participation;
- Strength and relevance of the educational plans to the needs of industry for qualified technical employees; and
- Coordination and articulation with feeder schools, other high schools, and community colleges.

A matrix will be used to score applications on the various criteria. The cumulative score will determine the rank for each application. The funding order will be dependent on the resulting rank and district priority. Districts will assign priority to their projects, if submitting more than one application within the funding cycle. If a district does not assign priority to multiple projects, priority will be determined by date received. Within a funding cycle, the highest ranked applications from each district will be funded, followed in descending order by the lower priority applications.

No funding preference will be given for new construction or modernization.

ATTACHMENT C

EDUCALIFORNIA CODES
EDUCATION CODE
SECTION 8070

8070. The governing board of each school district participating in a career technical education program shall appoint a career technical education advisory committee to develop recommendations on the program and to provide liaison between the district and potential employers.

The committee shall consist of one or more representatives of the general public knowledgeable about the disadvantaged, students, teachers, business, industry, school administration, and the field office of the Department of Employment Development.

STATE ALLOCATION BOARD
IMPLEMENTATION COMMITTEE
AUGUST 3, 2006

HIGH PERFORMANCE SCHOOL GRANT

PURPOSE OF REPORT

To discuss the implementation of an additional grant for High Performance Schools.

BACKGROUND

Assembly Bill (AB) 127, Chapter 35, Statutes of 2006 (Nunez and Perata) provides additional new construction and modernization incentives in the amount of \$100 million for the designs and materials that promote the efficient use of energy and water, natural lighting and indoor air quality and recycled materials. (See Attachment A for pertinent text in the law).

At the July 7, 2006, Implementation Committee meeting, Staff presented proposals for the self certification, rating criteria, grant percentage increase and distribution of funds. After much discussion, a work group was formed to discuss the High Performance School Grant requirements and incentives. The work group met and provided valuable input. To ensure the High Performance Rating Criteria (HPRC) closely mirrored the adopted guidelines of the Green Action Team to encourage schools built with state funds be resource and energy efficient, Staff is presenting the following proposals:

PROPOSALS AND DISCUSSION

Rating Criteria

- HPRC for New Construction and Modernization will be used to evaluate the costs of design and materials that promote the efficient use of energy and water, the maximum use of natural lighting and indoor air quality, the use of recycle materials and materials that emit a minimum of toxic substance, the other use of acoustics conducive to teaching and learning, and other characteristics of high performance schools.

New Construction projects on new sites must meet all requirements (prerequisites) in all HPRC categories; then, the district may pick the credits they wish to pursue. For those new construction projects that have a Division of Architect (DSA) received date prior to August 24, 2007, the point range will be 28 to 81 points, based on the 2001 performance guidelines. All applications received on or after August 24, 2007, must meet the 2006 performance guidelines, and Districts must achieve a score between 32 and 85 point to qualify for the High Performance Grant. The six categories used for the HPRC are as follows:

- Site
- Water
- Energy
- Materials

- Indoor Environmental Quality
- District Resolutions

Additions to an existing site and modernization projects will be required to meet those requirements (prerequisites) that are within the scope of the project; then, as with new construction, districts may pick the credits they wish to pursue. The point threshold has not been determined, but it is anticipated that the addition/modernization threshold range will be between 25 and 27 points. The maximum points attainable will be 81.

The work study group did consider creating a minor HPG program available to those districts who could only meet the energy requirements and one point in any other category. However, the OPSC and DSA believe this would be counterproductive and does not meet the intent of High Performance Schools.

High Performance Grants

- These High Performance Grant (HPG) options will be presented to the SAB:

Option 1

- While the HPG is an incentive based program, there are substantial operational savings to be realized by participating districts. The Board may consider any savings that are generated by a district's participation in High Performance Schools of which the State will not be a financial beneficiary. For example, energy savings should be sufficient enough to pay for the related design and materials several times over during the lifetime of the school. Additionally, districts may be able to receive additional grants from their utility provider that will pay for the cost of the same design and materials already funded by the state.

Other performance improvements, while not quantifiable, can be reasonably assumed. High Performance Schools will experience a reduction in potable water use, reduction in waste water production, reduction in construction waste to the landfill. Additional improvements will be realized in student and staff productivity to include increased student performance, reduction of teacher turnover and reduction in absenteeism.

Considering the benefits gained by High Performance Schools, the Board may consider providing base grant funding to cover 50 percent of the costs for the design and materials to be shared equally between the state and the district.

Advantage

- The \$100 million will be available longer to fund more projects.

Disadvantage

- Upfront costs are more expensive and would limit the participation of districts that have limited financial resources.
- Any cost saving realized by the district do not return to the facilities fund but remains in the district's funds of operation.

- Cost savings cannot be achieved in every category.

Option 2

- The HPG may be an incentive based grant that will provide from two to nine percent applied to the base grant to cover the entire costs of design and materials of a High Performance School. This incentive grant includes upfront costs for the High Performance School to be shared equally between the state and the district. (Attachments B and C for new construction; Attachments D and E for modernization)

Advantage

- Upfront costs would be covered and the district would not have to wait for the life cycle to cover additional expenses.
- Greater district participation.

Disadvantage

- The \$100 million could become exhausted quickly and would leave many districts that had planned to include high performance projects unfunded.

The following issues were discussed at the July 7, 2006 IMP and were mutually agreed on from the Committee and audience members.

Certification

- The OPSC will add a self certification to page 8 of the *Application for Funding* (Form SAB 50-04) that the district has considered the feasibility of using designs and materials for the construction or modernization project that promotes the efficient use of energy and water, maximum use of natural light and indoor air quality, the use of recycled materials and material that emit a minimum of toxic substances, the use of acoustics conducive to teaching and learning and the other characteristics of high performance schools.

Review Process

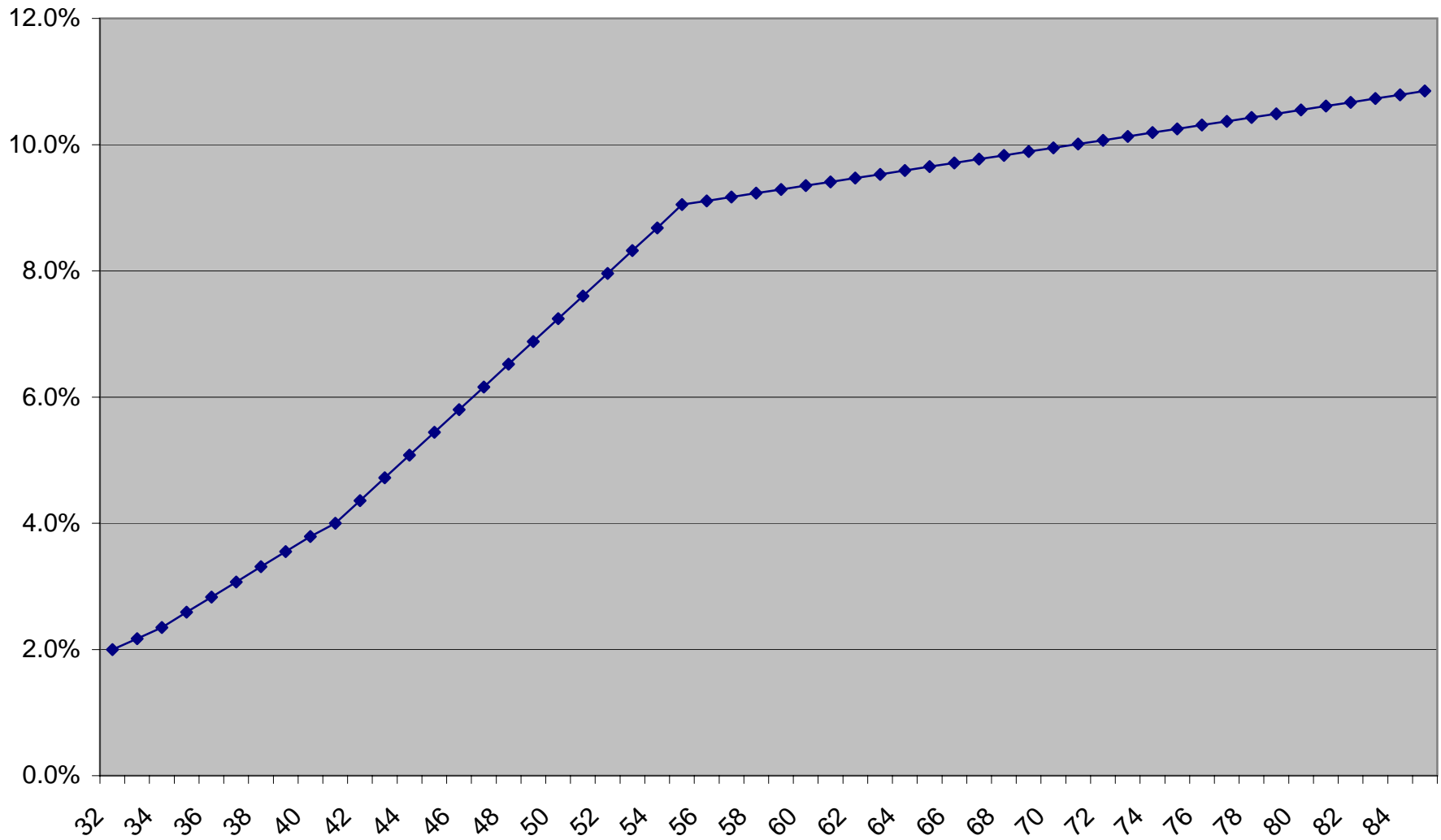
- The DSA will oversee the review of plan designs and report the high performance rating on DSA's e-tracker.
- The OPSC will process the district's funding application and award the HPG allowance based on the points rating.
- The \$100 million would remain in one fund and would not be divided into separate amounts for modernization and new construction.
- The HPG would be apportioned by the OPSC based on date order received of the SAB Form 50-04.
- Should funding for the HPG be exhausted, the district would have the option to receive funding without this additional grant or the district could withdraw the entire project and resubmit for funding should additional funds become available.

- If a project qualifies for both high performance and energy efficiency, the district may only request funding from one program.

RECOMMENDATION

Prepare regulatory language to be presented at the next available Implementation Committee meeting.

NEW CONSTRUCTION PROJECTS
Incremental Factor, Starting at 2% of Base Grant Allowance
Versus HPRC Points, 2006 Criteria



ATTACHMENT B

NEW CONSTRUCTION HIGH PERFORMANCE GRANT

100

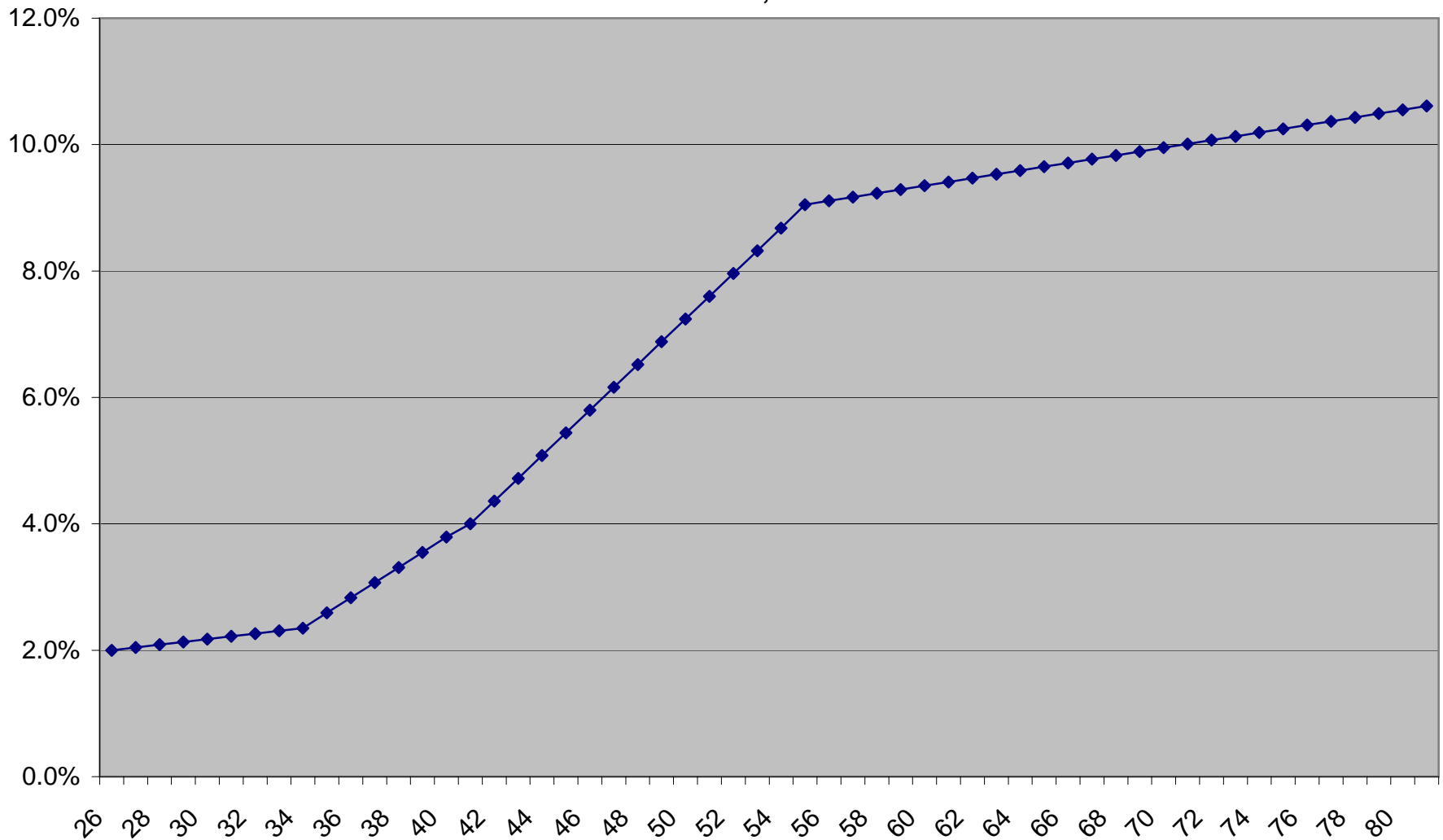
PUPIL GRANT
TOTAL GRANT

Elementary	Middle	High	Severe	Non-Severe
\$ 7,082	\$ 7,490	\$ 9,805	\$ 22,572	\$ 15,096
\$ 708,200	\$ 749,000	\$ 980,500	\$ 2,257,200	\$ 1,509,600

HPRC	Energy Percentage	Allowance Factor %	Elementary Grant Allowance	Middle Grant Allowance	High Grant Allowance	Severe Grant Allowance	Non-Severe Grant Allowance
32	@ 17.5%	0.0200	\$ 14,164	\$ 14,980	\$ 19,610	\$ 45,144	\$ 30,192
33		0.0217	\$ 15,368	\$ 16,253	\$ 21,277	\$ 48,981	\$ 32,758
34		0.0235	\$ 16,643	\$ 17,602	\$ 23,042	\$ 53,044	\$ 35,476
35		0.0259	\$ 18,342	\$ 19,399	\$ 25,395	\$ 58,461	\$ 39,099
36		0.0283	\$ 20,042	\$ 21,197	\$ 27,748	\$ 63,879	\$ 42,722
37	@ 20%	0.0307	\$ 21,742	\$ 22,994	\$ 30,101	\$ 69,296	\$ 46,345
38		0.0331	\$ 23,441	\$ 24,792	\$ 32,455	\$ 74,713	\$ 49,968
39		0.0355	\$ 25,141	\$ 26,590	\$ 34,808	\$ 80,131	\$ 53,591
40		0.0379	\$ 26,841	\$ 28,387	\$ 37,161	\$ 85,548	\$ 57,214
41		0.0400	\$ 28,328	\$ 29,960	\$ 39,220	\$ 90,288	\$ 60,384
42		0.0436	\$ 30,878	\$ 32,656	\$ 42,750	\$ 98,414	\$ 65,819
43		0.0472	\$ 33,427	\$ 35,353	\$ 46,280	\$ 106,540	\$ 71,253
44	@ 25 %	0.0508	\$ 35,977	\$ 38,049	\$ 49,809	\$ 114,666	\$ 76,688
45		0.0544	\$ 38,526	\$ 40,746	\$ 53,339	\$ 122,792	\$ 82,122
46		0.0580	\$ 41,076	\$ 43,442	\$ 56,869	\$ 130,918	\$ 87,557
47		0.0616	\$ 43,625	\$ 46,138	\$ 60,399	\$ 139,044	\$ 92,991
48		0.0652	\$ 46,175	\$ 48,835	\$ 63,929	\$ 147,169	\$ 98,426
49		0.0688	\$ 48,724	\$ 51,531	\$ 67,458	\$ 155,295	\$ 103,860
50		0.0724	\$ 51,274	\$ 54,228	\$ 70,988	\$ 163,421	\$ 109,295
51		0.0760	\$ 53,823	\$ 56,924	\$ 74,518	\$ 171,547	\$ 114,730
52		0.0796	\$ 56,373	\$ 59,620	\$ 78,048	\$ 179,673	\$ 120,164
53		0.0832	\$ 58,922	\$ 62,317	\$ 81,578	\$ 187,799	\$ 125,599
54		0.0868	\$ 61,472	\$ 65,013	\$ 85,107	\$ 195,925	\$ 131,033
55		0.09050	\$ 64,092	\$ 67,785	\$ 88,735	\$ 204,277	\$ 136,619
56		0.09110	\$ 64,517	\$ 68,234	\$ 89,324	\$ 205,631	\$ 137,525
57		0.09170	\$ 64,942	\$ 68,683	\$ 89,912	\$ 206,985	\$ 138,430
58		0.09230	\$ 65,367	\$ 69,133	\$ 90,500	\$ 208,340	\$ 139,336
59		0.09290	\$ 65,792	\$ 69,582	\$ 91,088	\$ 209,694	\$ 140,242
60		0.09350	\$ 66,217	\$ 70,032	\$ 91,677	\$ 211,048	\$ 141,148
61		0.09410	\$ 66,642	\$ 70,481	\$ 92,265	\$ 212,403	\$ 142,053
62		0.09470	\$ 67,067	\$ 70,930	\$ 92,853	\$ 213,757	\$ 142,959
63		0.09530	\$ 67,491	\$ 71,380	\$ 93,442	\$ 215,111	\$ 143,865
64		0.09590	\$ 67,916	\$ 71,829	\$ 94,030	\$ 216,465	\$ 144,771
65		0.09650	\$ 68,341	\$ 72,279	\$ 94,618	\$ 217,820	\$ 145,676
66		0.09710	\$ 68,766	\$ 72,728	\$ 95,207	\$ 219,174	\$ 146,582
67		0.09770	\$ 69,191	\$ 73,177	\$ 95,795	\$ 220,528	\$ 147,488
68		0.09830	\$ 69,616	\$ 73,627	\$ 96,383	\$ 221,883	\$ 148,394
69		0.09890	\$ 70,041	\$ 74,076	\$ 96,971	\$ 223,237	\$ 149,299
70		0.09950	\$ 70,466	\$ 74,526	\$ 97,560	\$ 224,591	\$ 150,205
71		0.10010	\$ 70,891	\$ 74,975	\$ 98,148	\$ 225,946	\$ 151,111
72		0.10070	\$ 71,316	\$ 75,424	\$ 98,736	\$ 227,300	\$ 152,017
73		0.10130	\$ 71,741	\$ 75,874	\$ 99,325	\$ 228,654	\$ 152,922
74		0.10190	\$ 72,166	\$ 76,323	\$ 99,913	\$ 230,009	\$ 153,828
75		0.10250	\$ 72,591	\$ 76,773	\$ 100,501	\$ 231,363	\$ 154,734
76		0.10310	\$ 73,015	\$ 77,222	\$ 101,090	\$ 232,717	\$ 155,640
77		0.10370	\$ 73,440	\$ 77,671	\$ 101,678	\$ 234,072	\$ 156,546
78		0.10430	\$ 73,865	\$ 78,121	\$ 102,266	\$ 235,426	\$ 157,451
79		0.10490	\$ 74,290	\$ 78,570	\$ 102,854	\$ 236,780	\$ 158,357
80		0.10550	\$ 74,715	\$ 79,020	\$ 103,443	\$ 238,135	\$ 159,263
81		0.10610	\$ 75,140	\$ 79,469	\$ 104,031	\$ 239,489	\$ 160,169
82		0.10670	\$ 75,565	\$ 79,918	\$ 104,619	\$ 240,843	\$ 161,074
83		0.10730	\$ 75,990	\$ 80,368	\$ 105,208	\$ 242,198	\$ 161,980
84		0.10790	\$ 76,415	\$ 80,817	\$ 105,796	\$ 243,552	\$ 162,886
85		0.10850	\$ 76,840	\$ 81,267	\$ 106,384	\$ 244,906	\$ 163,792

ATTACHMENT C

ADDITION AND MODERNIZATION PROJECTS
Incremental Factor, Starting at 2% of Base Grant Allowance
Versus HPRC Points, 2006 Criteria



ATTACHMENT D

ADDITIONS AND MODERNIZATION HIGH PERFORMANCE GRANT

100

PUPIL GRANT TOTAL GRANT		Elementary	Middle	High	Severe	Non-Severe
		\$ 3,059	\$ 3,236	\$ 4,236	\$ 9,746	\$ 6,521
		\$ 305,900	\$ 323,600	\$ 423,600	\$ 974,600	\$ 652,100
		Elementary	Middle	High	Severe	Non-Severe
HPRC	Allowance Factor %	Grant Allowance	Grant Allowance	Grant Allowance	Grant Allowance	Grant Allowance
26	0.0200	\$ 6,118	\$ 6,472	\$ 8,472	\$ 19,492	\$ 13,042
27	0.0204	\$ 6,253	\$ 6,614	\$ 8,658	\$ 19,921	\$ 13,329
28	0.0209	\$ 6,387	\$ 6,757	\$ 8,845	\$ 20,350	\$ 13,616
29	0.0213	\$ 6,522	\$ 6,899	\$ 9,031	\$ 20,778	\$ 13,903
30	0.0218	\$ 6,656	\$ 7,042	\$ 9,218	\$ 21,207	\$ 14,190
31	0.0222	\$ 6,791	\$ 7,184	\$ 9,404	\$ 21,636	\$ 14,477
32	0.0226	\$ 6,926	\$ 7,326	\$ 9,590	\$ 22,065	\$ 14,764
33	0.0231	\$ 7,060	\$ 7,469	\$ 9,777	\$ 22,494	\$ 15,050
34	0.0235	\$ 7,189	\$ 7,605	\$ 9,955	\$ 22,903	\$ 15,324
35	0.0259	\$ 7,923	\$ 8,381	\$ 10,971	\$ 25,242	\$ 16,889
36	0.0283	\$ 8,657	\$ 9,158	\$ 11,988	\$ 27,581	\$ 18,454
37	0.0307	\$ 9,391	\$ 9,935	\$ 13,005	\$ 29,920	\$ 20,019
38	0.0331	\$ 10,125	\$ 10,711	\$ 14,021	\$ 32,259	\$ 21,585
39	0.0355	\$ 10,859	\$ 11,488	\$ 15,038	\$ 34,598	\$ 23,150
40	0.0379	\$ 11,594	\$ 12,264	\$ 16,054	\$ 36,937	\$ 24,715
41	0.0400	\$ 12,236	\$ 12,944	\$ 16,944	\$ 38,984	\$ 26,084
42	0.0436	\$ 13,337	\$ 14,109	\$ 18,469	\$ 42,493	\$ 28,432
43	0.0472	\$ 14,438	\$ 15,274	\$ 19,994	\$ 46,001	\$ 30,779
44	0.0508	\$ 15,540	\$ 16,439	\$ 21,519	\$ 49,510	\$ 33,127
45	0.0544	\$ 16,641	\$ 17,604	\$ 23,044	\$ 53,018	\$ 35,474
46	0.0580	\$ 17,742	\$ 18,769	\$ 24,569	\$ 56,527	\$ 37,822
47	0.0616	\$ 18,843	\$ 19,934	\$ 26,094	\$ 60,035	\$ 40,169
48	0.0652	\$ 19,945	\$ 21,099	\$ 27,619	\$ 63,544	\$ 42,517
49	0.0688	\$ 21,046	\$ 22,264	\$ 29,144	\$ 67,052	\$ 44,864
50	0.0724	\$ 22,147	\$ 23,429	\$ 30,669	\$ 70,561	\$ 47,212
51	0.0760	\$ 23,248	\$ 24,594	\$ 32,194	\$ 74,070	\$ 49,560
52	0.0796	\$ 24,350	\$ 25,759	\$ 33,719	\$ 77,578	\$ 51,907
53	0.0832	\$ 25,451	\$ 26,924	\$ 35,244	\$ 81,087	\$ 54,255
54	0.0868	\$ 26,552	\$ 28,088	\$ 36,768	\$ 84,595	\$ 56,602
55	0.09050	\$ 27,684	\$ 29,286	\$ 38,336	\$ 88,201	\$ 59,015
56	0.09110	\$ 27,867	\$ 29,480	\$ 38,590	\$ 88,786	\$ 59,406
57	0.09170	\$ 28,051	\$ 29,674	\$ 38,844	\$ 89,371	\$ 59,798
58	0.09230	\$ 28,235	\$ 29,868	\$ 39,098	\$ 89,956	\$ 60,189
59	0.09290	\$ 28,418	\$ 30,062	\$ 39,352	\$ 90,540	\$ 60,580
60	0.09350	\$ 28,602	\$ 30,257	\$ 39,607	\$ 91,125	\$ 60,971
61	0.09410	\$ 28,785	\$ 30,451	\$ 39,861	\$ 91,710	\$ 61,363
62	0.09470	\$ 28,969	\$ 30,645	\$ 40,115	\$ 92,295	\$ 61,754
63	0.09530	\$ 29,152	\$ 30,839	\$ 40,369	\$ 92,879	\$ 62,145
64	0.09590	\$ 29,336	\$ 31,033	\$ 40,623	\$ 93,464	\$ 62,536
65	0.09650	\$ 29,519	\$ 31,227	\$ 40,877	\$ 94,049	\$ 62,928
66	0.09710	\$ 29,703	\$ 31,422	\$ 41,132	\$ 94,634	\$ 63,319
67	0.09770	\$ 29,886	\$ 31,616	\$ 41,386	\$ 95,218	\$ 63,710
68	0.09830	\$ 30,070	\$ 31,810	\$ 41,640	\$ 95,803	\$ 64,101
69	0.09890	\$ 30,254	\$ 32,004	\$ 41,894	\$ 96,388	\$ 64,493
70	0.09950	\$ 30,437	\$ 32,198	\$ 42,148	\$ 96,973	\$ 64,884
71	0.10010	\$ 30,621	\$ 32,392	\$ 42,402	\$ 97,557	\$ 65,275
72	0.10070	\$ 30,804	\$ 32,587	\$ 42,657	\$ 98,142	\$ 65,666
73	0.10130	\$ 30,988	\$ 32,781	\$ 42,911	\$ 98,727	\$ 66,058
74	0.10190	\$ 31,171	\$ 32,975	\$ 43,165	\$ 99,312	\$ 66,449
75	0.10250	\$ 31,355	\$ 33,169	\$ 43,419	\$ 99,897	\$ 66,840
76	0.10310	\$ 31,538	\$ 33,363	\$ 43,673	\$ 100,481	\$ 67,232
77	0.10370	\$ 31,722	\$ 33,557	\$ 43,927	\$ 101,066	\$ 67,623
78	0.10430	\$ 31,905	\$ 33,751	\$ 44,181	\$ 101,651	\$ 68,014
79	0.10490	\$ 32,089	\$ 33,946	\$ 44,436	\$ 102,236	\$ 68,405
80	0.10550	\$ 32,272	\$ 34,140	\$ 44,690	\$ 102,820	\$ 68,797
81	0.10610	\$ 32,456	\$ 34,334	\$ 44,944	\$ 103,405	\$ 69,188

STATE ALLOCATION BOARD
IMPLEMENTATION COMMITTEE MEETING
August 4, 2006

AB127 - INCREASE TO THE NEW CONSTRUCTION
BASE GRANT

PURPOSE OF REPORT

To present proposed School Facility Program (SFP) regulation changes to the *Fund Release Authorization* (Form SAB 50-05) and the *Expenditure Report* (Form SAB 50-06).

BACKGROUND

A report was presented at the July 7, 2006 Implementation Committee Meeting to address the implementation of Education Code (EC) Section 17072.11, added pursuant to Assembly Bill 127, Chapter 35, Statutes of 2006 (AB 127). EC Section 17072.11 provides for an increase of seven percent for elementary and middle school projects and a four percent increase for high school projects. Beginning January 1, 2008, the Board also has the authority to increase the base grant up to six percent or decrease it by an amount determined every fiscal year based on the current construction costs. Staff presented information on how the New Construction Base Grant was to be determined and how the Construction Cost Index (CCI) was used to bring it up to current costs. There was also a discussion on the best way to capture the current costs to build schools so that Staff can make recommendations to the Board regarding the amount of the base grant increase/decrease. Finally, comments were made on the Staffs' proposal correlating the recommended change in the base grant with the CCI increase. Based on the report and comments from the Committee and audience, it was agreed that Staff would present regulations at the next available Implementation Committee Meeting.

AUTHORITY

See Attachment A

DISCUSSION

Grant Increase

EC Section 17072.11 will require the "*per-unhoused-pupil grant eligibility*" as determined under subdivision (a) of Section 17072.10 to be increased by seven percent for elementary and middle school pupils, and four percent for high school pupils. At the previous meeting there was discussion on how the Construction Cost Index (CCI) was applied to the proposed grant increase. Based on the discussion and further analysis a cumulative adjustment to the CCI will be made. Therefore the proposed current new construction grant amount will be:

NEW CONSTRUCTION GRANT						
Grade Level	1998 Per Pupil Base Grant	Adjusted 1998 Per Pupil Base Grant w/ Increase		CURRENT 2006 Per Pupil Base Grant	JULY 21, 2006 PROPOSAL 2006 Per Pupil Base Grant	NEW PROPOSED 2006 Per Pupil Base Grant Increase
Elementary	\$5,200	\$5,564		\$7,082	\$7,567	\$7,579
Middle	\$5,500	\$5,885		\$7,490	\$8,004	\$8,015
High	\$7,200	\$7,488		\$9,805	\$10,184	\$10,198

As previously discussed, starting January 1, 2008, the SAB has the authority to annually increase the per pupil base grant amount by up to six percent, or reduce the per pupil base grant amount by an amount determined based on an analysis of the current costs to build a school. The increases/decreases will be determined by an analysis of the correlating costs of building new schools versus the total grant that is currently provided in law, taking into account the adjustment for the current CCI. For example, let's say that the analysis conducted determines that an eight percent increase to the per pupil base grant is warranted and that the CCI increases the per pupil base grant by five percent; therefore, Staff would likely recommend that the base grant be increased by three percent. **However, if the SAB so chooses it may still increase the base grant amount up to the six percent.** AB 127 requires that the change in the base grant amount every year correspond to current costs of new school construction; therefore, the recommendations made by Staff will be based on information relating to actual project costs that are reviewed on an annual basis.

Examples - Per Pupil Grant Increase/Decrease with CCI

	Amount grant should increase per study	CCI Increase	Staff Recommended Per Pupil Increase/ Decrease	Total Increase
Example 1	8%	5%	3%	8%
Example 2	9%	5%	4%	9%
Example 3	5%	7%	-2%	5%

Amendments to Forms SAB 50-05 and 50-06

In order to capture the most current costs to construct schools, Staff proposed to make changes to the Form SAB 50-05 and the Form SAB 50-06. These changes would include, but not be limited to, gathering information regarding contract amounts, bid information, addendums, type of buildings being constructed, square footage, etc... Staff has amended the forms to include detailed project information that will be used to make a recommendation to the Board to determine the increase/decrease in the base grant.

Staff will analyze the information submitted to determine the current construction climate and how it is affecting the cost to build schools. Staff will determine the cost per square foot by comparing the square footage in the project vs. the total building cost, what facilities are being constructed, if facilities have been reduced in size or removed in order to stay within the district's budget, if districts are building core facilities for the pupil grants in the project, or if they are building to a master plan. If districts are building to a master plan, then the square footage and cost per square foot will be pro-rated to adjust for the master plan and to get a more accurate view of the project costs. Staff will also be reviewing the type of buildings that are being built, including if districts have to use modular or portable classrooms instead of stick-built in order to meet their budget. Other factors to be reviewed include whether the projects includes optional or required local design features(i.e. arches, bell tower, etc.), if the district or if districts are re-using plans and if the re-use is resulting in cost-savings. These are all aspects of the projects that will be considered when looking at the cost to build a school compared to the New Construction Base Grant.

RECOMMENDATION

Submit the proposed regulations changes to the Form SAB 50-05 and Form SAB 50-06 to the SAB.

Form SAB 50-05
Fund Release Authorization

General Instructions

...

- Check the appropriate box in Part VIII that identifies the construction delivery method that the district utilized for this project.
- For new construction projects completing Part IV and/or VI, complete all sections of Part IX. Attach to this form the accepted bid documents including additive/deductive alternates.

The following documents must be submitted with this form (as appropriate):

1. Signature page of the contract(s) that meets the requirement for a fund release (Part IV and/or VI).
2. Notice to Proceed(s).
3. For projects that require a Labor Compliance Program:
 - All school district and/or third party provider Department of Industrial Relations approval letters. (initial, extension(s) and/or final)
 - Third party contract(s).

Part IV. New Construction/Modernization & Part VI. Joint-Use Projects

...

☐ The District certifies it has entered into a binding contract(s) for ~~at least 50 percent~~ _____ % of the construction included in the ~~plans applicable to the state funded project~~ (must be at least 50 percent of the construction included in the plans and specifications applicable to the state funded project), and has issued the Notice to Proceed on _____ for that contract signed on _____

Certification Section of the Form SAB 50-05

I certify, as the District Representative, that the information reported on this form is true and correct and that:

...

- The district has ~~or will~~ initiated and will enforce a Labor Compliance Program that has been approved by the Department of Industrial Relations, pursuant to Labor Code Section 1771.7, if the project is funded from Proposition 47 or 55 and the Notice to Proceed for the construction phase of the project is issued on or after April 1, 2003.
-

Part IX. Project Information - New Construction Only

General Project Information:

Project Pupil Capacity: # of Classrooms In Contract: _____ Actual Number of Pupils to be Housed: _____
(Based on single track use and local district loading standard)

Total Bldg. Square Footage: _____ Cost per Square Foot: _____
CDE Recommended Acreage: _____ Based on how many pupils? _____
CDE Master Plan Acreage: _____ Based on how many pupils? _____

Financial Information:

(Do not include site acquisition dollars)

	Project Cost Under Contract (Incl. all sources of funding)		Estimated Remaining Project Cost Not Yet Contracted/ Obligated or Invoiced
Funds Available			
Total State Apportionment (excluding site development)	\$		\$
Interest Earned on State Apportionment	\$		\$
Total Local Contribution (excluding Joint Use):	\$		\$
Bid/Contract Data			
Bid Amount Prior to additive /deductive alternates	\$		\$
Amount of additive/deductive alternates	\$		\$
Amount of district-selected/local mandated features	\$		\$
Building Cost in Contract	\$		\$
Site Development in Contract	\$		\$
Total Project Cost:	\$		\$

Does the project include a joint use partner? ☐ Y ☐ N

If yes, who is the joint use partner and which facilities are involved? _____

Did the joint use partner pledge or contribute any capital funding towards the construction of the project? ☐ Y ☐ N

If so, how much? \$ _____

How many bidders bid the project? _____ What date did the bids open? _____

If there were multiple bid packages on the project, how many bidders bid per bid package? _____

Please describe the additive/deductive alternates. _____ Square Footage? _____

Detailed Project Information:

Please check those facilities included in the project. When determining square footage, please only include enclosed corridor area. The total square footage listed below should not exceed the total project square footage listed above. Please do not report any area more than once.

	Qty.	Total Sq.Ft.		Qty.	Total Sq. Ft.
<input type="checkbox"/> Media Center/library		_____	<input type="checkbox"/> Kitchen Area		
<input type="checkbox"/> Multi Purpose Room		_____	<input type="checkbox"/> Central Kitchen		_____
<input type="checkbox"/> Facilities for physical education		_____	<input type="checkbox"/> Warming Kitchen		_____
<input type="checkbox"/> Food serving facility/area		_____	<input type="checkbox"/> Full Service Kitchen		_____
<input type="checkbox"/> Separate Cafeteria		_____	<input type="checkbox"/> Central Kitchen serving other sites		_____
<input type="checkbox"/> Gymnasium		_____	<input type="checkbox"/> Food Kiosks		_____
<input type="checkbox"/> Administration		_____	<input type="checkbox"/> Other Area		
			<input type="checkbox"/> Facilities for dance, theater & visual arts		_____
			<input type="checkbox"/> Stadium (seating capacity in lieu of sf.)		_____
			<input type="checkbox"/> Lighting for evening games	_____	

☐ Other _____

☐ Other area as required by local educational specifications _____

Of the above italicized core facilities, which were built based on the number of pupils for the Master Plan Acreage?

Please answer the following questions in the space provided. Additional pages are provided for your use at the end of the document.

- ☐ Y ☐ N 1. **Were any classrooms or core facilities removed or not included in the design or construction phase of the project?** Check more than one reason if necessary. For example, local educational specifications did not require it or budgetary constraints prohibited the inclusion of it.

☐ Board Policy ☐ Local Ed Specs ☐ Project Budgetary constraints
☐ Subsequent Phase in project ☐ Other, please explain _____

- 1a. What district-selected or local mandated design features (architectural or otherwise) were added to the project that exceed the educational specifications? (i.e. bell tower, all brick exteriors) _____

- ☐ Y ☐ N 2. **Were there any unusual local requirements or ordinances the District had to meet?** (i.e. road, street improvements)

☐ Y ☐ N If Yes, did the State fund these mandates? How much? _____

☐ Y ☐ N If Yes, were these costs included in the contract?

If Yes, please specify the local requirement and the associated cost.

3. What materials are the main components of this project's building envelope? Please indicate the percentage of each type of material used.

% Brick _____ %Stucco _____ % Siding _____ Type of Siding _____
% Concrete _____

- ☐ Y ☐ N 4. **Did you utilize existing architectural plans from another project?**

If Yes, how many times were these plans re-used? _____

What was the cost of the original project? _____

- ☐ Y ☐ N Were there any changes to the plans for any subsequent projects? (i.e. buildings added or excluded)

If Yes, What were the changes? _____

What was the cost of the subsequent projects? _____

- ☐ Y ☐ N Did the re-use of plans result in a cost savings?

If Yes, how much was saved? _____

Form SAB 50-06
Expenditure Report

Instructions

...

7. If applicable, enter the district's future SFP financial hardship project(s) that savings from this project will be ~~used~~ applied.
8. Complete all sections for new construction projects that have received an adjusted grant fund release. Attach to this form accepted bid documents including additive/deductive alternates.
10. Provide a detailed listing of each expenditure listing items by:
 - o Warrant, date of warrant, payee, warrant number, and description/purpose of the expenditure.
 - o Identify any savings and the purposes for which it will be used. Identify expenditures made with district force account labor separately.
 - o The use of a transaction record, in lieu of warrant number, is acceptable for force account expenditures.
 - o Identify amounts applied to the project for incentive grants or rebates received by the district pursuant to Public Utilities Code Section 381. Refer to Sections 1859.77.1 and 1859.79.

Go to the Office of Public School Construction Web site at www.opsc.dgs.ca.gov/ for an EXCEL worksheet which may be used to assist in reporting these expenditures.

...

~~12. 7. If applicable, list the amount of savings from this financial hardship project that will be used to reduce the grant of a future School Facility Program financial hardship projects and the amount of the savings that will be used which has not yet been apportioned. Attach written declaration of savings pursuant to Section 1859.103.~~

Project Number _____

Project Number _____

8. Project Information - New Construction Only

General Project Information:

Project Pupil Capacity: # of Classrooms In Contract: _____ Actual Number of Pupils to be Housed: _____
(Based on single track use and local district loading standard)

Total Bldg. Square Footage: _____ Cost per Square Foot: _____
CDE Recommended Acreage: _____ Based on how many pupils? _____
CDE Master Plan Acreage: _____ Based on how many pupils? _____

Financial Information:

(Do not include site acquisition dollars)

	Project Cost Under Contract (Incl. all sources of funding)		Estimated Remaining Project Cost Not Yet Contracted/ Obligated or Invoiced
Funds Available			
Total State Apportionment (excluding site development)	\$		\$
Interest Earned on State Apportionment	\$		\$
Total Local Contribution (excluding Joint Use):	\$		\$
Bid/Contract Data			
Bid Amount Prior to additive /deductive alternates	\$		\$
Amount of additive/deductive alternates	\$		\$
Amount of district-selected/local mandated features	\$		\$
Building Cost in Contract	\$		\$
Site Development in Contract	\$		\$
Total Project Cost:	\$		\$

Does the project include a joint use partner? ☐ Y ☐ N

If yes, who is the joint use partner and which facilities are involved? _____

Did the joint use partner pledge or contribute any capital funding towards the construction of the project? ☐ Y ☐ N

If so, how much? \$ _____

How many bidders bid the project? _____ What date did the bids open? _____

If there were multiple bid packages on the project, how many bidders bid per bid package? _____

Please describe the additive/deductive alternates. _____ Square Footage? _____

Detailed Project Information:

Please check those facilities included in the project. When determining square footage, please only include enclosed corridor area. The total square footage listed below should not exceed the total project square footage listed above. Please do not report any area more than once.

	Qty.	Total Sq.Ft.		Qty.	Total Sq. Ft.
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<input type="checkbox"/> Multi Purpose Room		_____	<input type="checkbox"/> Central Kitchen		_____
<input type="checkbox"/> Facilities for physical education		_____	<input type="checkbox"/> Warming Kitchen		_____
<input type="checkbox"/> Food serving facility/area		_____	<input type="checkbox"/> Full Service Kitchen		_____
<input type="checkbox"/> Separate Cafeteria		_____	<input type="checkbox"/> Central Kitchen serving other sites		_____
<input type="checkbox"/> Gymnasium		_____	<input type="checkbox"/> Food Kiosks		_____
<input type="checkbox"/> Administration		_____	<input type="checkbox"/> Other Area		_____
			<input type="checkbox"/> Facilities for dance, theater & visual arts		_____
			<input type="checkbox"/> Stadium (seating capacity in lieu of sf.)		_____
			<input type="checkbox"/> Lighting for evening games	_____	_____

☐ Other _____

☐ Other area as required by local educational specifications _____

Of the above italicized core facilities, which were built based on the number of pupils for the Master Plan Acreage?

Please answer the following questions in the space provided. Additional pages are provided for your use at the end of the document.

- ☐ Y ☐ N 1. **Were any classrooms or core facilities removed or not included in the design or construction phase of the project?** Check more than one reason if necessary. For example, local educational specifications did not require it or budgetary constraints prohibited the inclusion of it.

☐ Board Policy ☐ Local Ed Specs ☐ Project Budgetary constraints
☐ Subsequent Phase in project ☐ Other, please explain _____

- 1a. What district-selected or local mandated design features (architectural or otherwise) were added to the project that exceed the educational specifications? (i.e. bell tower, all brick exteriors) _____

- ☐ Y ☐ N 2. **Were there any unusual local requirements or ordinances the District had to meet?** (i.e. road, street improvements)

☐ Y ☐ N If Yes, did the State fund these mandates? How much? _____

☐ Y ☐ N If Yes, were these costs included in the contract?

If Yes, please specify the local requirement and the associated cost.

3. What materials are the main components of this project's building envelope? Please indicate the percentage of each type of material used.

% Brick _____ %Stucco _____ % Siding _____ Type of Siding _____
% Concrete _____

- ☐ Y ☐ N 4. **Did you utilize existing architectural plans from another project?**

If Yes, how many times were these plans re-used? _____

What was the cost of the original project? _____

- ☐ Y ☐ N Were there any changes to the plans for any subsequent projects? (i.e. buildings added or excluded)

If Yes, What were the changes? _____

What was the cost of the subsequent projects? _____

- ☐ Y ☐ N Did the re-use of plans result in a cost savings?

If Yes, how much was saved? _____

STATE ALLOCATION BOARD
IMPLEMENTATION COMMITTEE
AUGUST 3, 2006

SMALL HIGH SCHOOL PROGRAM FUNDING

PURPOSE OF REPORT

To increase funding for the Small High School Program by an additional \$200 million pursuant to Assembly Bill (AB) 127, Chapter 35, Statutes of 2006 (Nunez and Perata).

BACKGROUND

AB 127 provides \$200 million for the construction of new small high schools and the reconfiguration of existing high schools, which have a minimum of 1000 high school pupils, into two or more smaller high schools for the purpose of academic achievement and success in a small learning environment. The statute did not provide any changes to the Small High School Pilot Program.

At the July 7, 2006 Implementation Committee meeting, Staff proposed an additional funding cycle to be set up under the same guidelines as the current Small High School Program.

In addition, to encourage greater district participation, Staff proposed a change to the Program. Regulation Section 1859.93(c), *New Construction Adjusted Grant for the Small High School Program*, requires that the Small High School must be constructed on a stand alone site with no existing facilities. Staff recommended that schools could share core facilities, such as gymnasiums, libraries, and multipurpose rooms provided the small high school was located adjacent to an existing high school. However, schools could not share administration or toilet area.

DISCUSSION

The following questions and concerns were raised at the July 7, 2006 Implementation Committee meeting:

- A member indicated that AB 127 allows for the construction of small learning communities and small high schools. A district should be funded to build small learning communities, since the legislation references small learning communities and small high schools.

Staff re-examined the language of AB 1465, and while the statute does reference small learning communities, it speaks of them only as the result of the construction of small high schools and the reconfiguration of existing school facilities. Staff believes that small learning communities are programmatic in nature. Perhaps future legislation could include small learning communities, but at this time, the Office of Public School Construction (OPSC) may not fund this type of program under AB 127. Staff will seek further Legal Counsel guidance regarding this issue.

- A Committee member was uncertain if the Small High School Program had a significant number of districts interested in building small high schools.

The California Department of Education (CDE) reports that, of the four Small High School Program Workshops conducted in 2005, there were 48 districts represented with a total of 65 participants.

- An audience member asked if a new small high school could be built on the site of an existing large high school if that site had excess land available.

Legal Counsel has opined a district could use a portion of an existing large high school site to build a small high school if the CDE determines that the creation of the small high school does not create a school with an inappropriate number of pupils in relation to the size at either site. The small high school must have a separate CDS code and administration.

- Several audience members indicated that mandating an administration on each small high school would not be cost effective. The Chair advised that this question would be deferred to the CDE, and an answer would be provided at the next meeting.

Any new small high school created as a result of reconfiguration must have a separate administration and a CDS code. The purpose of the separate administration is to create both a point of entry and to house the curriculum leader of the small high school.

- Several audience members cited the aggregate amount of \$500,000 is not enough to reconfigure a large high school into two or more small high schools. In addition, there were members in the audience that felt the aggregate amount should be for each small high school created.

Staff re-examined the statute regarding the \$500,000 for the purposes of reconfiguration. Since a high school of 1000 or more pupils must be reconfigured into two or more smaller high schools, it does not appear equitable that a high school that is reconfiguring into five small high schools should receive the same amount of reconfiguration funds as a high school reconfigured into two small high schools. Therefore, Staff proposes that each new small high school created may be eligible to receive up to \$500,000 for the purpose of reconfiguration.

Example

- A high school of 1000 pupils reconfigures into 4 small high schools of 250 pupils each.
- The district will receive \$500,000 for each small high school created.
- The district has created 3 new small high schools, so the district would receive \$1.5 million.
- The district would not receive \$500,000 for the existing high school site.
- Staff proposed that the \$200 million should be an 80/20 split with 80 percent used for new construction and 20 percent used for modernization for the purpose of

reconfiguration. Staff has reconsidered this proposal and the \$200 million will remain in one fund for both new construction and modernization.

The following proposals were mutually agreed upon by the Committee and audience members.

- Should AB 127 be implemented with the passage of the November 2006 Bond, the application submittal date requirements shall already have expired. Staff proposes that an additional funding cycle be implemented to insure all prospective applicants have an equal opportunity to have their Academic Reform Strategy (ARS) reviewed and scored by the CDE and receive full funding on their applications. Staff, therefore, proposes to provide a second round of funding in 2007 by requiring the following:
 - Districts must submit their ARS to the CDE no later than February 1, 2007.
 - CDE shall provide the OPSC applicant scores by April 1, 2007.
 - Districts will be required to submit their new construction applications for the small high school no later than September 30, 2007, to ensure funding at the December 2007 SAB.
 - Modernization Reconfiguration applications will continue to be accepted on a continuous basis until September 30, 2007.

New Construction

- Districts would qualify for the Small High School funding if the small high school is located adjacent to an existing high school that includes core facilities, and the students from the small high school may share those core facilities. Additionally, two small high schools could be built on separate but adjacent sites, and both schools would be allowed to share the core facilities of the other. The following restrictions would apply:
 - Core facilities, such as multipurpose rooms, gymnasiums and libraries can be shared.
 - The administration and toilet facilities cannot be shared.
 - Any Small High School that shares the core facilities of an existing high school would not be entitled to the New School Excessive Cost Hardship Grant.
 - Two small high schools built immediately adjacent to each other would be eligible for the New School Excessive Hardship Grant providing each are constructing core facilities the other does not have. If only one small high school will be providing the core facilities, that small high school would be eligible for the New School Excessive Hardship Grant.

RECOMMENDATION

Accept the proposed Regulations as presented in Attachment A.

ATTACHMENT A

Section 1859.70.3. Available Funding for the Small High School Program.

For purposes of the Small High School Program, the Board shall set aside the funding as follows:

- (a) \$20 million for the new construction of Small High Schools pursuant to Education Code Section 17072.10(c).
- (b) \$5 million in modernization funding to assist with the Reconfiguration of large high schools pursuant to Education Code Section 17074.32.

Pursuant to Education Code, Section 101012(a)(5), the Board may provide up to \$200 million for the purposes set forth in Education Code Section 17072.10(c).

Note: Authority cited: Section 17070.35, Education Code.

Reference: Sections 17072.10 ~~and~~ 17074.32, and 101012(a)(5) Education Code.

Section 1859.93.2. New Construction Adjusted Grant for the Small High School Program.

A district may submit an Approved Application for a Small High School project from January 1, 2006 through September 30, 2006~~7~~, if all of the following are met:

- (a) The Application meets all the criteria on the Form SAB 50-04 for a New Construction Adjusted Grant, pursuant to Section 1859.21.
- (b) The district has at least 500 high school pupil grants of new construction eligibility available pursuant to Regulation Section 1859.50 and 1859.51.
- (c) The Small High School ~~must~~ may be constructed on one of the following:
 - (1) A stand alone school site with no existing facilities;
 - (2) An adjacent site to an existing high school and share core facilities including, but not limited to library, multi-purpose room and gymnasium;
 - (3) A site of a large high school if the CDE deems that the site will not create a school that is overcrowded or educationally inadequate; or
 - (4) Two or more small high schools may be constructed on separate but adjacent sites and may share one or all of the core facilities in 1859.93.2(c)(2).
- (d) The Small High School may not be constructed where it would otherwise have been built due to sparse population.
- (e) The district shall only provide the number of classrooms at the new school site necessary to house the capacity of the Small High School, not to exceed 500 pupils, until two complete school years after the Occupancy of the last Small High School funded pursuant to Education Code Section 17072.10(c)(1), which would correspond with timing of the data submitted by the district pursuant to Section 1859.104(e)(2).

Note: Authority cited: Section 17070.35, Education Code.

Reference: Section 17072.10, Education Code.

Section 1859.78.9. Separate Apportionment for Modernization Reconfiguration under the Small High School Program.

- (a) The Board shall provide an additional apportionment pursuant to Education Code Section 17074.32 for Modernization Reconfiguration work on an existing high school site, not to exceed ~~an aggregate of \$500,000 per~~ each new Small High School created from the reconfiguration, excluding the original school, subject to OPSC verification, if all of the following criteria are met:

- (1) A district shall submit an Approved Application by September 30, 2007.
- (2) The current enrollment at the existing high school must be at least 1,000 pupils.
- (3) At least two new Small High Schools must be created as a result of Reconfiguration.
- (4) The district must obtain a county-district-school code from the Department of Education for the resulting new school sites.
- (5) Funds provided under this Section shall be used only for work included in the Reconfiguration.

(b) The State funding pursuant to this Section shall continue for projects that meet subsection (a) until all available funds are exhausted. In the event that remaining funds are insufficient to fund a Reconfiguration project in its entirety, the district will have the following options:

(1) Accept the remaining funds as a full and final apportionment; or,

(2) Refuse the funding in its entirety. If the district wishes to proceed with the Modernization portion of the application, the application will retain its received date and proceed without the Modernization Grant Separate Apportionment for Reconfiguration.

The district must maintain an enrollment, not to exceed 500 pupils, for a minimum of two complete school years after the Occupancy of the new Small High Schools.

Any additional Classrooms provided to the campus, beyond the existing number of classrooms prior to the Reconfiguration work shall be reduced from the district's New Construction Eligibility pursuant to Section 1859.51.

At the conclusion of the Reconfiguration project, a new Modernization Eligibility will be established at any resulting new Small High Schools.

After all qualifying projects pursuant to this Section have been apportioned, any remaining funds pursuant to Education Code Section 17074.32 shall be made available for eligible modernization projects pursuant to this Act.

Note: Authority cited: Section 17070.35, Education Code.

Reference: Section 17074.32, Education Code.

ATTACHMENT A

Assembly Bill No. 127

CHAPTER 35

An act to amend Sections 17070.40, 17072.35, 17075.10, 17078.52, 17078.53, 17078.54, 17078.56, 17078.58, 17261, and 81130.3 of, to add Sections 17070.96, 17072.11, and 81052 to, to add Article 13 (commencing with Section 17078.70) and Article 14 (commencing with Section 17079) to Chapter 12.5 of Part 10 of, and to add Part 69 (commencing with Section 101000) to, the Education Code, to amend Section 65997 of the Government Code, to amend Section 4 of Chapter 421 of the Statutes of 2001, and to amend Section 4 of Chapter 637 of the Statutes of 2002, relating to education facilities, by providing the funds necessary therefor through an election for the issuance and sale of bonds of the State of California and for the handling and disposition of those funds, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 20, 2006. Filed with Secretary of State May 20, 2006.]

LEGISLATIVE COUNSEL'S DIGEST

AB 127, Nunez. Education facilities: Kindergarten-University Public Education Facilities Bond Act of 2006.

(1) Existing law, the California Constitution, prohibits the Legislature from creating a debt or liability that singly or in the aggregate with any previous debts or liabilities exceeds the sum of \$300,000, except by an act that (a) authorizes the debt for a single object or work specified in the act, (b) has been passed by a $\frac{2}{3}$ vote of all the members elected to each house of the Legislature, (c) has been submitted to the people at a statewide general or primary election, and (d) has received a majority of all the votes cast for and against it at that election.

Existing law, the Leroy F. Greene School Facilities Act of 1998, requires the State Allocation Board to allocate to applicant school districts, prescribed per-unhoused-pupil state funding for construction and modernization of school facilities, including hardship funding, and supplemental funding for site development and acquisition.

This bill would enact the Kindergarten-University Public Education Facilities Bond Act of 2006 to authorize \$10,416,000,000 of state general obligation bonds to provide aid to school districts, county superintendents of schools, county boards of education, the California Community Colleges, the University of California, the Hastings College of the Law, and the California State University to construct and modernize education facilities.

The bond act would become operative only if approved by the voters at the November 7, 2006, statewide general election, and would provide for its submission to the voters at that election.

The bill would also submit to the voters for approval an authorization to use the proceeds of any bond act, approved on or before January 1, 2006, that are designated for joint-use facilities to be used for other related school facilities projects.

(2) This bill would specify that certain provisions of the bill shall become operative only if the Kindergarten-University Public Education Facilities Bond Act of 2006 is approved by the voters at the November 7, 2006, statewide general election.

(3) The bill would make conforming, technical changes in related provisions of existing law.

(4) The bill would declare that it is to take effect immediately as an urgency statute.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 17070.40 of the Education Code is amended to
2 read:
- 3 17070.40. (a) (1) A fund is hereby established in the State Treasury to
4 be known as the 1998 State School Facilities Fund. All money in the fund,
5 including any money deposited in that fund from any source whatsoever,
6 and notwithstanding Section 13340 of the Government Code, is hereby
7 continuously appropriated without regard to fiscal years for expenditure
8 pursuant to this chapter.
- 9 (2) The board may apportion funds to school districts for the purposes
10 of this chapter from funds transferred to the 1998 State School Facilities
11 Fund from any source.
- 12 (3) The board may make apportionments in amounts not exceeding
13 those funds on deposit in the 1998 State School Facilities Fund, and any
14 amount of bonds authorized by the committee, but not yet sold by the
15 Treasurer.
- 16 (4) The board may make disbursements pursuant to any apportionment
17 made from any funds in the 1998 State School Facilities Fund, irrespective
18 of whether there exists at the time of the disbursement an amount in the
19 1998 State School Facilities Fund sufficient to permit payment in full of
20 all apportionments previously made. However, no disbursement shall be
21 made from any funds required by law to be transferred to the General
22 Fund.
- 23 (b) (1) A fund is hereby established in the State Treasury to be known
24 as the 2002 State School Facilities Fund. All money in the fund, including
25 any money deposited in that fund from any source whatsoever, and
26 notwithstanding Section 13340 of the Government Code, is hereby
27 continuously appropriated without regard to fiscal years for expenditure
28 pursuant to this chapter.

29 (2) The board may apportion funds to school districts for the purposes
30 of this chapter from funds transferred to the 2002 State School Facilities
31 Fund from any source.

32 (3) The board may make apportionments in amounts not exceeding
33 those funds on deposit in the 2002 State School Facilities Fund, and any
34 amount of bonds authorized by the committee, but not yet sold by the
35 Treasurer.

36 (4) The board may make disbursements pursuant to any apportionment
37 made from any funds in the 2002 State School Facilities Fund, irrespective
38 of whether there exists at the time of the disbursement an amount in the
39 2002 State School Facilities Fund sufficient to permit payment in full of
40 all apportionments previously made. However, no disbursement shall be
41 made from any funds required by law to be transferred to the General
42 Fund.

43 (c) (1) A fund is hereby established in the State Treasury to be known
44 as the 2004 State School Facilities Fund. All money in the fund, including
45 any money deposited in that fund from any source whatsoever, and
46 notwithstanding Section 13340 of the Government Code, is hereby
47 continuously appropriated without regard to fiscal years for expenditure
48 pursuant to this chapter.

49 (2) The board may apportion funds to school districts for the purposes
50 of this chapter from funds transferred to the 2004 State School Facilities
51 Fund from any source.

52 (3) The board may make apportionments in amounts not exceeding
53 those funds on deposit in the 2004 State School Facilities Fund, and any
54 amount of bonds authorized by the committee, but not yet sold by the
55 Treasurer.

56 (4) The board may make disbursements pursuant to any apportionment
57 made from any funds in the 2004 State School Facilities Fund, irrespective
58 of whether there exists at the time of the disbursement an amount in the
59 2004 State School Facilities Fund sufficient to permit payment in full of
60 all apportionments previously made. However, no disbursement shall be
61 made from any funds required by law to be transferred to the General
62 Fund.

63 (d) (1) A fund is hereby established in the State Treasury, to be known
64 as the 2006 State School Facilities Fund. All money in the fund, including
65 any money deposited in that fund from any source whatsoever, and
66 notwithstanding Section 13340 of the Government Code, is hereby
67 continuously appropriated without regard to fiscal years for expenditure
68 pursuant to this chapter.

69 (2) The board may apportion funds to school districts for the purposes
70 of this chapter from funds transferred to the 2006 State School Facilities
71 Fund from any source.

72 (3) The board may make apportionments in amounts not exceeding
73 those funds on deposit in the 2006 State School Facilities Fund, and any
74 amount of bonds authorized by the committee, but not yet sold by the
75 Treasurer.

76 (4) The board may make disbursements pursuant to any apportionment
77 made from any funds in the 2006 State School Facilities Fund, irrespective
78 of whether there exists at the time of the disbursement an amount in the
79 2006 State School Facilities Fund sufficient to permit payment in full of
80 all apportionments previously made. However, no disbursement shall be
81 made from any funds required by law to be transferred to the General
82 Fund.

83 SEC. 2. Section 17070.96 is added to the Education Code, to read:
84 17070.96. As part of its application for funding under this chapter, a
85 school district shall certify that it has considered the feasibility of using
86 designs and materials for the construction or modernization project that
87 promote the efficient use of energy and water, the maximum use of natural
88 lighting and indoor air quality, the use of recycled materials and materials
89 that emit a minimum of toxic substances, the use of acoustics conducive to
90 teaching and learning, and other characteristics of high performance
91 schools.

92 SEC. 3. Section 17072.11 is added to the Education Code, to read:
93 17072.11. (a) All of the following shall apply on and after July 1,
94 2006, until January 1, 2008:

95 (1) The per-unhoused-pupil grant eligibility determined under
96 paragraphs (1) and (2) of subdivision (a) of Section 17072.10 shall be
97 increased by 7 percent.

98 (2) The per-unhoused-pupil grant eligibility determined under
99 paragraph (3) of subdivision (a) of Section 17072.10 shall be increased by
100 4 percent.

101 (3) The board shall conduct an analysis of the relationship between the
102 per-unhoused-pupil grant eligibility determined under this article and the
103 per-pupil cost of new school construction for elementary, middle, and high
104 school pupils.

105 (b) On or after January 1, 2008, the board shall increase or decrease the
106 per-unhoused-pupil grant eligibility by amounts it deems necessary to
107 cause the grants to correspond to costs of new school construction,
108 provided that the increase in any fiscal year pursuant to this section shall
109 not exceed 6 percent.

110 SEC. 4. Section 17072.35 of the Education Code is amended to read:

111 17072.35. A grant for new construction may be used for any and all
112 costs necessary to adequately house new pupils in any approved project,
113 and those costs may only include the cost of design, engineering, testing,
114 inspection, plan checking, construction management, site acquisition and
115 development, evaluation and response action costs relating to hazardous
116 substances at a new or existing schoolsite, demolition, construction,
117 acquisition and installation of portable classrooms, landscaping, necessary
118 utility costs, utility connections and other fees, equipment including
119 telecommunication equipment to increase school security, furnishings, and
120 the upgrading of electrical systems or the wiring or cabling of classrooms
121 in order to accommodate educational technology. A grant for new
122 construction may also be used to acquire an existing government or

123 privately owned building, or a privately financed school building, and for
124 the necessary costs of converting the government or privately owned
125 building for public school use. A grant for new construction may also be
126 used for the costs of designs and materials that promote the efficient use of
127 energy and water, the maximum use of natural lighting and indoor air
128 quality, the use of recycled materials and materials that emit a minimum of
129 toxic substances, the use of acoustics conducive to teaching and learning,
130 and other characteristics of high performance schools.

131 SEC. 5. Section 17075.10 of the Education Code is amended to read:
132 17075.10. (a) A school district may apply for hardship assistance in
133 cases of extraordinary circumstances. Extraordinary circumstances may
134 include, but are not limited to, the need to repair, reconstruct, or replace
135 the most vulnerable school facilities that are a Category 2 building, as
136 defined in the report submitted pursuant to Section 17317, determined by
137 the department to pose an unacceptable risk of injury to its occupants in
138 the event of a seismic event.

139 (b) A school district applying for hardship state funding under this
140 article shall comply with either paragraph (1) or (2).

141 (1) Demonstrate both of the following:

142 (A) That due to extreme financial, disaster-related, or other hardship the
143 school district has unmet need for pupil housing.

144 (B) That the school district is not financially capable of providing the
145 matching funds otherwise required for state participation, that the district
146 has made all reasonable efforts to impose all levels of local debt capacity
147 and development fees, and that the school district is, therefore, unable to
148 participate in the program pursuant to this chapter except as set forth in
149 this article.

150 (2) Demonstrate that due to unusual circumstances that are beyond the
151 control of the district, excessive costs need to be incurred in the
152 construction of school facilities. Funds for the purpose of seismic
153 mitigation work or facility replacement pursuant to this section shall be
154 allocated by the board on a 50 percent state share basis from any funds
155 reserved for that purpose in any bond approved by the voters after January
156 1, 2006. If the board determines that the seismic mitigation work of a
157 school building would require funding that is greater than 50 percent of the
158 funds required to construct a new facility, the school district shall be
159 eligible for funding to construct a new facility under this chapter.

160 (c) The board shall review the increased costs that may be uniquely
161 associated with urban construction and shall adjust the per-pupil grant for
162 new construction or modernization hardship applications as necessary to
163 accommodate those costs. The board shall adopt regulations setting forth
164 the standards, methodology, and a schedule of allowable adjustments, for
165 the urban adjustment factor established pursuant to this subdivision.

166 SEC. 6. Section 17078.52 of the Education Code is amended to read:
167 17078.52. (a) There is hereby established the Charter Schools
168 Facilities Program to provide funding to qualifying entities for the purpose
169 of establishing school facilities for charter school pupils.

170 (b) (1) The 2002 Charter School Facilities Account is hereby
171 established within the 2002 State School Facilities Fund established
172 pursuant to subdivision (b) of Section 17070.40. The proceeds of bonds, as
173 set forth in subparagraph (A) of paragraph (1) of subdivision (a) of Section
174 100620, shall be deposited into the 2002 Charter School Facilities Account
175 for the purposes of this article. Notwithstanding Section 13340 of the
176 Government Code, funds deposited into the account are hereby
177 continuously appropriated for the purposes of this article.

178 (2) The 2004 Charter School Facilities Account is hereby established
179 within the 2004 State School Facilities Fund established pursuant to
180 subdivision (c) of Section 17070.40. The proceeds of bonds, as set forth in
181 subparagraph (A) of paragraph (1) of subdivision (a) of Section 100820, if
182 approved by the voters, shall be deposited into the 2004 Charter School
183 Facilities Account for the purposes of this article. Notwithstanding Section
184 13340 of the Government Code, funds deposited into the account are
185 hereby continuously appropriated for the purposes of this article.

186 (3) The 2006 Charter School Facilities Account is hereby established
187 within the 2006 State School Facilities Fund established pursuant to
188 subdivision (d) of Section 17070.40. The proceeds of bonds, as set forth in
189 paragraph (2) of subdivision (a) of Section 101012, if approved by the
190 voters, shall be deposited into the 2006 Charter School Facilities Account
191 for the purposes of this article. Notwithstanding Section 13340 of the
192 Government Code, funds deposited into the account are hereby
193 continuously appropriated for the purposes of this article.

194 (c) As used in this article, the following terms have the following
195 meanings:

196 (1) "Authority" means the California School Finance Authority
197 established pursuant to Section 17172.

198 (2) "Account" means the pertinent account established under
199 subdivision (b).

200 (3) "Preliminary apportionment" means an apportionment made for
201 eligible applicants under this article in advance of full compliance with all
202 of the application requirements otherwise required for an apportionment
203 pursuant to this chapter. The process for making preliminary
204 apportionments under this article shall be substantially identical to the
205 process established for critically overcrowded schools pursuant to Sections
206 17078.22 to 17078.30, inclusive.

207 (4) "Financially sound" means a charter school that has demonstrated,
208 over a period of time determined by the authority, but not less than 24
209 months immediately preceding the submission of the application, that it
210 has operated as a financially capable concern in California, as measured by
211 criteria established by the authority. A charter school that cannot
212 demonstrate that it has been a financially capable concern for at least 24
213 months immediately preceding the submission of the application, due
214 solely to not having operated as a charter school for at least 24 months,
215 may meet this 24-month requirement if the charter school is managed by
216 staff who have at least 24 months of documented experience, as measured

217 by criteria established by the authority and the charter school has an
218 educational plan, financial resources, facilities expertise, management
219 expertise, and has been a financially capable concern for at least 24
220 months, as established by the authority.

221 (d) The board shall, from time to time, transfer funds within the account
222 to the California School Finance Authority Fund for the purposes of this
223 article pursuant to the request of the authority as set forth in this article
224 SEC. 7. Section 17078.53 of the Education Code is amended to read:
225 17078.53. (a) The initial preliminary applications for projects to be
226 funded pursuant to this article shall be submitted to the board by March
227 31, 2003. Thereafter, the board may establish subsequent application
228 periods as needed.

229 (b) Preliminary applications may be submitted by eligible applicants as
230 set forth in this article by either of the following:

231 (1) A school district on behalf of a charter school that is physically
232 located within the geographical jurisdiction of the school district.

233 (2) A charter school on its own behalf if the charter school has notified
234 both the superintendent and the governing board of the school district in
235 which it is physically located of its intent to do so in writing at least 30
236 days prior to submission of the preliminary application.

237 (c) A preliminary application shall demonstrate either of the following:

238 (1) That a charter petition for the school for which the application is
239 submitted has been granted by the appropriate chartering entity prior to the
240 application deadline determined by the board.

241 (2) That an already existing charter has been amended to include the
242 school for which the application is submitted and approved by the
243 appropriate chartering entity prior to the deadline determined by the board.

244 (d) A preliminary application shall include either of the following:

245 (1) For a preliminary application submitted pursuant to paragraph (1) of
246 subdivision (b), the number of unhoused pupils determined pursuant to
247 Article 3 (commencing with Section 17071.75) that will be housed by the
248 project for which the preliminary application has been submitted.

249 (2) For a preliminary application submitted pursuant to paragraph (2) of
250 subdivision (b), a certification from the governing board of the district
251 within which the charter school is physically located of the number of
252 unhoused pupils for that district determined pursuant to Article 3
253 (commencing with Section 17071.75) that will be housed by the project
254 for which the preliminary application has been submitted.

255 (e) Prior to submitting a preliminary application, the school district and
256 charter school shall consider existing school district facilities in
257 accordance with Section 47614.

258 (f) The board, after consideration of the recommendations of the
259 authority regarding whether a charter school is financially sound, shall
260 approve the preliminary application and shall make the preliminary
261 apportionment for funding pursuant to this article.

262 (g) (1) The board shall establish a process to ensure that pupil
263 attendance in a charter school that is physically located within the

264 geographical jurisdiction of a school district is counted as per-pupil
265 eligibility for that school district and to ensure that the same per-pupil
266 attendance is not so counted for any other school district or other applicant
267 under this chapter.

268 (2) (A) Except as provided pursuant to subparagraph (B) and
269 notwithstanding subdivision (b) of Section 17071.75, the number of pupils
270 for which facilities are provided under this article shall not be included in
271 the sum determined under subdivision (b) of Section 17071.75.

272 (B) The number of unhoused pupils determined pursuant to subdivision
273 (d) that will be housed by the project for which a preliminary application
274 has been submitted shall be included in the sum determined under
275 subdivision (b) of Section 17071.75.

276 (h) The board shall establish a process to be used for release of funds
277 for approved projects pursuant to this article. Notwithstanding Section
278 17072.30, the board may provide for the release of planning and site
279 acquisition funds prior to the approval of the project by the Department of
280 General Services pursuant to the Field Act, as defined in Section 17281.

281 SEC. 8. Section 17078.54 of the Education Code is amended to read:

282 17078.54. (a) An eligible project under this article shall include
283 funding, as permitted by this chapter, for new construction or
284 rehabilitation of a school facility for charter school pupils, as set forth in
285 this article. A project may include, but is not limited to, the cost of
286 retrofitting an existing building for charter school purposes, purchasing a
287 building, or retrofitting a building that has been purchased by the charter
288 school, if those costs have not been previously funded under this chapter,
289 but may not exceed the amounts set forth in subdivision (b). Existing
290 school buildings made available by a school district that will be
291 rehabilitated for the purposes of this article are not subject to Article 6
292 (commencing with Section 17073.10). An allocation of funds shall not be
293 made for a school facility that is less than 15 years old.

294 (b) The maximum amount of the funding pursuant to this article shall
295 be determined by calculating the charter school's per-pupil grant amount
296 plus other allowable costs as set forth in this chapter. Funding shall be
297 provided by the authority for new facility construction or rehabilitation as
298 set forth in Section 17078.58.

299 (c) To be funded under this article, a project shall comply with all of the
300 following:

301 (1) It shall meet all the requirements regarding public school
302 construction, plan approvals, toxic substance review, site selection, and
303 site approval, as would any noncharter school project of a school district
304 under this chapter, including, but not limited to, regulations adopted by the
305 State Architect pursuant to Section 17280.5 relating to the retrofitting of
306 existing buildings, as applicable.

307 (2) Notwithstanding any provision of law to the contrary, including, but
308 not limited to paragraph (1), the board, after consulting with the relevant
309 regulatory agencies, shall, to the extent feasible, adopt regulations
310 establishing a process for projects to be subject to a streamlined method

311 for obtaining regulatory approvals for all requirements described in
312 paragraph (1), except for the requirements of the Field Act as defined in
313 Section 17281 which shall be complied with in the same manner as any
314 other project under this chapter.

315 (3) The board shall fund only new construction to be physically located
316 within the geographical jurisdiction of a school district.

317 (d) Facilities funded pursuant to this article shall have a 50 percent
318 local share matching obligation that may be paid by the applicant through
319 lease payments in lieu of the matching share, or as otherwise set forth in
320 this article, including, but not limited to, Section 17078.58.

321 (e) The authority may charge its administrative costs against the
322 respective 2002, 2004, or 2006 Charter School Facilities Account, which
323 shall be subject to the approval of the Department of Finance and which
324 may not exceed 2.5 percent of the account.

325 SEC. 9. Section 17078.56 of the Education Code is amended to read:
326 17078.56. (a) The board, in consultation with the authority, shall
327 approve projects pursuant to this article as otherwise set forth in this
328 chapter, and shall make preliminary apportionments only to financially
329 sound applicants in accordance with all of the following criteria:

330 (1) The board shall seek to ensure that, when considered as a whole, the
331 applications approved pursuant to this article are fairly representative of
332 the various geographical regions of the state.

333 (2) The board shall seek to ensure that, when considered as a whole, the
334 applications approved pursuant to this article are fairly representative of
335 urban, rural, and suburban regions of the state.

336 (3) The board shall seek to ensure that, when considered as a whole, the
337 applications approved pursuant to this article are fairly representative of
338 large, medium, and small charter schools throughout the state.

339 (4) The board shall seek to ensure that, when considered as a whole, the
340 applications approved pursuant to this article are fairly representative of
341 the various grade levels of pupils served by charter school applicants
342 throughout the state.

343 (b) While ensuring that the requirements of subdivision (a) are met
344 when considering all approved projects under this article as a whole, the
345 board shall, within each factor of the criteria set forth in subdivision (a),
346 give a preference to charter schools in overcrowded school districts,
347 charter schools in low-income areas, charter schools operated by
348 not-for-profit entities, and charter schools that utilize existing school
349 district facilities.

350 SEC. 10. Section 17078.58 of the Education Code is amended to read:
351 17078.58. (a) Funding granted pursuant to this article may not exceed
352 100 percent of the total allowable project costs as determined by
353 calculating double the per-pupil grant eligibility as set forth in Section
354 17072.10, and subdivision (e) of Section 17078.53, plus 100 percent of all
355 other allowable construction project costs, as appropriate to the project,
356 that would otherwise be available to school district projects as set forth in
357 this chapter. Funding granted for the purposes of rehabilitating buildings

358 under Section 17078.54 shall be limited to the costs necessary to comply
359 with subdivision (c) of Section 17078.54, and shall not exceed the
360 maximum costs that would otherwise be allowable for a new construction
361 project funded under this article.

362 (b) The local share equivalent shall be collected in the form of lease
363 payments or otherwise as set forth in this article.

364 (c) Lease payments in lieu of local share payments, and any other local
365 share payments made pursuant to this article, shall be made to the board
366 for deposit into the respective 2002, 2004, or 2006 Charter School
367 Facilities Account. Funds deposited into the account pursuant to this
368 section may be used by the board only for a purpose related to charter
369 school facilities pursuant to this article.

370 (d) When a preliminary apportionment under this article is converted to
371 a final apportionment, any funds not needed for the final apportionment
372 shall remain in the 2002, 2004, or 2006 Charter School Facilities Account
373 for use by the board for any purpose related to charter school facilities
374 pursuant to this article.

375 SEC. 11. Article 13 (commencing with Section 17078.70) is added to
376 Chapter 12.5 of Part 10 of the Education Code, to read:

377 Article 13. Career Technical Education Facilities Program

378 17078.70. (a) For the purposes of this article, "reconfiguration" means
379 any modification of a structure of any age that will enhance the
380 educational opportunities for pupils in existing middle and high schools in
381 order to provide them with the skills and knowledge necessary for
382 high-demand technical careers.

383 (b) "Reconfiguration" may include limited new construction necessary
384 to accommodate the reconfiguration.

385 17078.72. (a) The Career Technical Education Facilities Program is
386 hereby established to provide funding to qualifying local educational
387 agencies for the purpose of constructing new facilities or reconfiguring
388 existing facilities, including, but not limited to, purchasing equipment with
389 an average useful life expectancy of at least 10 years, to enhance
390 educational opportunities for pupils in existing high schools in order to
391 provide them with the skills and knowledge necessary for the high-demand
392 technical careers of today and tomorrow.

393 (b) The State Department of Education, in cooperation with the
394 Chancellor's Office of the Community Colleges, the Labor and Workforce
395 Development Agency, and industry groups, shall develop criteria and pupil
396 outcome measures to evaluate the program. The criteria shall ensure
397 equity, program relevance to industry needs, and articulation with more
398 advanced coursework at the partnering community colleges or private
399 institutions.

400 (c) The program shall be based on grant applications administered by
401 the board.

402 (d) Grants shall be allocated on a per-square-foot basis for the
403 applicable type of construction proposed or deemed necessary by the
404 board consistent with the approved application for the project.

405 (e) New construction grants shall not exceed three million dollars
406 (\$3,000,000) per project per schoolsite, inclusive of equipment, and shall
407 only be allocated to comprehensive high schools that have an active Career
408 Technical Advisory Committee pursuant to Section 8070, in either of the
409 following methods:

410 (1) For a stand-alone project on a per-square-foot basis for the
411 applicable type of construction proposed, based on the criteria established
412 pursuant to subdivision (b), consistent with the approved application for
413 the project.

414 (2) For new school projects, as a supplement to the per pupil allocation
415 pursuant to Section 17072.10. The supplement is intended to cover excess
416 costs uniquely related to the facilities required to provide the career
417 technical education program or programs.

418 (f) Modernization grants shall not exceed one million five hundred
419 thousand dollars (\$1,500,000) per project per schoolsite, inclusive of
420 equipment and may be awarded to comprehensive high schools or joint
421 power authorities currently operating career technical education programs
422 that have an active Career Technical Advisory Committee pursuant to
423 Section 8070 for the purpose of reconfiguration. For comprehensive high
424 schools, the grant shall be supplemental to the per pupil allocation
425 pursuant to Section 17074.10. The supplement is intended to cover excess
426 costs uniquely related to the facilities required to provide the career
427 technical education program or programs.

428 (g) (1) A school district shall contribute from local resources a dollar
429 amount that is equal to the amount of the grant of state funds awarded
430 under subdivisions (d), (e), and (f). The local contribution may be
431 provided by private industry groups, the school district, or a joint powers
432 authority.

433 (2) A school district shall not be required to demonstrate that it has
434 unhoused pupils or that a permanent school building is more than 25 years
435 old in order to receive a grant under the program.

436 (h) The program shall allow the local contribution to be paid over time
437 should sufficient local funds not be immediately available. The board may
438 provide for a repayment schedule consistent with subparagraphs (C) and
439 (D) of paragraph (1) of subdivision (a) of Section 17078.57. The board
440 shall not waive the local contribution on the basis of financial hardship or
441 on any other basis.

442 (i) Applications shall meet the criteria developed under subdivision (b)
443 and shall require all of the following:

444 (1) A clear and comprehensive Career Technical Education plan for
445 each course of study applicable to the instructional space.

446 (2) Projections of pupil enrollment.

447 (3) Identification of feeder schools, industry partners, and community
448 colleges or other postsecondary schools participating in the development,
449 articulation, and review of the educational program.
450 (4) Evidence of approval of the plan by the entities listed in paragraph
451 (3).
452 (5) The method by which accountability for pupil enrollments and
453 outcomes will be maintained. Outcomes shall include, but are not limited
454 to, certificate completion, the successful entry of pupil to employment in
455 the applicable industry, and successful transition to post-secondary
456 institutions for work in the applicable industry or other areas of study.
457 (6) Evidence of coordination with all feeder schools, middle schools,
458 and high schools within the area to ensure that the project and programs
459 complement career technical education offerings in the area.
460 (7) Evidence that upon completion of the project the local educational
461 agency will meet all of its obligations under Section 51228 relating to
462 career technical education.
463 (j) Applications shall give weight to the number of pupils expected to
464 attend, the cost per pupil, financial participation by industry partners in the
465 construction and equipping of the facility, commitment to accountability
466 for outcomes and participation, the strength and relevance of the
467 educational plans to the needs of industry for qualified technical
468 employees applicable to the economic development needs of the region in
469 which the project will be located, and coordination and articulation with
470 feeder schools, other high schools, and community colleges.
471 (k) The Office of Public School Construction shall develop and the
472 board shall approve regulations to implement this article on or before April
473 19, 2007, and the board may promulgate those regulations first on an
474 emergency basis, which shall be effective for no more than 12 months,
475 after which any permanent regulations shall be promulgated in accordance
476 with the Administrative Procedure Act (Chapter 3.5 (commencing with
477 Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code).
478 SEC. 12. Article 14 (commencing with Section 17079) is added to
479 Chapter 12.5 of Part 10 of the Education Code, to read:

480 Article 14. Overcrowding Relief Grants

481 17079. (a) For purposes of this article, an eligible school is a school
482 for which the schoolsite pupil population density is equal to or greater than
483 175 percent of the schoolsite pupil population density recommended by
484 the Superintendent as of January 1, 2006, adjusted by the following
485 factors:
486 (1) The density calculation shall be reduced to take into account the
487 additional pupil capacity created by multistory construction.
488 (2) The schoolsite pupil population density shall be reduced to take into
489 account approved new construction projects, including projects approved
490 pursuant to Article 11 (commencing with Section 17078.10).

491 (b) The board shall adopt regulations to determine the adjustments set
 492 forth in paragraphs (1) and (2) of subdivision (a).
 493 17079.10. (a) For purposes of this article, an eligible pupil is a pupil
 494 who is housed in a portable classroom, except portable classrooms used
 495 for purposes of the Class Size Reduction Program set forth in Chapter 6.10
 496 (commencing with Section 52120) of Part 28, at an eligible school.
 497 (b) The board shall apportion an overcrowding relief grant to districts
 498 on behalf of each eligible pupil equal to the appropriate
 499 per-unhoused-pupil grant amount pursuant to Section 17072.10. The
 500 number of overcrowding relief grants apportioned shall be subject to the
 501 following limitations:
 502 (1) The number of grants apportioned on behalf of an eligible school
 503 shall not exceed the number of pupils whose removal from the pupil
 504 density calculation would reduce the density of the eligible schoolsite to
 505 150 percent of the schoolsite pupil population density recommended by
 506 the Superintendent as of January 1, 2006.
 507 (2) A district shall not receive more grants than the number of pupils
 508 housed in portable classrooms that were included in the initial new
 509 construction eligibility determination of the district pursuant to Article 3
 510 (commencing with Section 17071.75).
 511 17079.20. (a) The board shall require that applications for funding
 512 pursuant to this article be used for an equivalent number of permanent new
 513 school construction classrooms to replace the portable classrooms upon
 514 which the determination of the number of eligible pupils is based. The
 515 board shall also require the application to describe how the project will
 516 relieve overcrowding at the eligible school.
 517 (b) The board shall create a list of projects eligible for funding and shall
 518 approve applications semiannually on a schedule determined by the board.
 519 (c) The board shall require that applicant school districts comply with
 520 all of the same conditions otherwise required for new construction funding
 521 pursuant to this chapter with the exception of subdivision (b) of Section
 522 17071.75.
 523 (d) The board shall not apportion funds for a project pursuant to this
 524 article any portion of which involves the construction, acquisition, or
 525 transportation of portable classrooms for any school in the school district.
 526 (e) In the event the funding available to the board for purposes of this
 527 article is less than the amount necessary to fund all eligible applications,
 528 the board shall prioritize and fund the projects on the basis of the pupil
 529 density of the eligible schools.
 530 17079.30. (a) The board shall require both of the following as
 531 conditions for receiving funding pursuant to this article:
 532 (1) Within six months after the date of initial occupancy of the
 533 permanent school facilities constructed pursuant to this article, the school
 534 district shall remove from the eligible school, and remove from service as
 535 classrooms in the district, the portable classrooms used for determining the
 536 number of eligible pupils.

537 (2) The new school construction funding provided pursuant to this
538 article shall result in a reduction in the total number of portable classrooms
539 in the school district.
540 (b) This section does not preclude the school district from using the
541 portable classrooms removed from eligible schools for child care or
542 preschool programs, if those portable classrooms are not located at an
543 eligible school.
544 (c) This section does not apply to eligible schools operating on double
545 session schedules in an elementary school district in a county of the
546 second class, as set forth in Section 28023 of the Government Code.
547 SEC. 13. Section 17261 of the Education Code is amended to read:
548 17261. The State Allocation Board shall obtain construction plans for
549 school buildings appropriate for school districts in various climates and
550 geographical conditions of the state. The plans shall be composed of plans
551 designed to meet the needs of school districts requiring school buildings of
552 various sizes. The plans may include landscape suggestions. The plans
553 may include designs that promote the efficient use of energy and water, the
554 maximum use of natural lighting and indoor air quality, the use of recycled
555 materials and materials that emit a minimum of toxic substances, the use
556 of acoustics conducive to teaching and learning, and other characteristics
557 of high performance schools.
558 SEC. 14. Section 81052 is added to the Education Code, to read:
559 81052. Each school building constructed, reconstructed, modified, or
560 expanded after July 1, 2006, on a community college campus shall be built
561 according to the Field Act, as defined in Section 81130.3, or according to
562 the California Building Standards Code, as adopted by the California
563 Building Standards Commission.
564 SEC. 15. Section 81130.3 of the Education Code is amended to read:
565 81130.3. This article, together with Article 3 (commencing with
566 Section 17280) and Article 6 (commencing with Section 17365) of
567 Chapter 3 of Part 10.5 and Article 3 (commencing with Section 81050),
568 shall be known and may be cited as the "Field Act."
569 SEC. 16. Part 69 (commencing with Section 101000) is added to the
570 Education Code, to read:

571 PART 69. KINDERGARTEN-UNIVERSITY PUBLIC EDUCATION
572 FACILITIES BOND ACT OF 2006

573 Chapter 1. General

574 101000. This part shall be known and may be cited as the
575 Kindergarten-University Public Education Facilities Bond Act of 2006.
576 101001. The incorporation of, or reference to, any provision of
577 California statutory law in this part includes all acts amendatory thereof
578 and supplementary thereto.

579 101002. (a) Bonds in the total amount of ten billion four hundred
580 sixteen million dollars (\$10,416,000,000), not including the amount of any
581 refunding bonds issued in accordance with Sections 101030, 101039, and
582 101059, or so much thereof as is necessary, may be issued and sold to
583 provide a fund to be used for carrying out the purposes expressed in this
584 part and to reimburse the General Obligation Bond Expense Revolving
585 Fund pursuant to Section 16724.5 of the Government Code. The bonds,
586 when sold, shall be and constitute a valid and binding obligation of the
587 State of California, and the full faith and credit of the State of California is
588 hereby pledged for the punctual payment of the principal of, and interest
589 on, the bonds as the principal and interest become due and payable.
590 (b) Pursuant to this section, the Treasurer shall sell the bonds
591 authorized by the State School Building Finance Committee established by
592 Section 15909 or the Higher Education Facilities Finance Committee
593 established pursuant to Section 67353, as the case may be, at any different
594 times necessary to service expenditures required by the apportionments.

595 Chapter 2. Kindergarten Through 12th Grade

596 Article 1. Kindergarten Through 12th Grade School Facilities Program
597 Provisions

598 101010. The proceeds of bonds issued and sold pursuant to Article 2
599 (commencing with Section 101020) shall be deposited in the 2006 State
600 School Facilities Fund established in the State Treasury under subdivision
601 (d) of Section 17070.40 and shall be allocated by the State Allocation
602 Board pursuant to this chapter.

603 101011. All moneys deposited in the 2006 State School Facilities Fund
604 for the purposes of this chapter shall be available to provide aid to school
605 districts, county superintendents of schools, and county boards of
606 education of the state in accordance with the Leroy F. Greene School
607 Facilities Act of 1998 (Chapter 12.5 (commencing with Section 17070.10)
608 of Part 10), as set forth in Section 101012, to provide funds to repay any
609 money advanced or loaned to the 2006 State School Facilities Fund under
610 any act of the Legislature, together with interest provided for in that act,
611 and to reimburse the General Obligation Bond Expense Revolving Fund
612 pursuant to Section 16724.5 of the Government Code.

613 101012. (a) The proceeds from the sale of bonds, issued and sold for
614 the purposes of this chapter, shall be allocated in accordance with the
615 following schedule:

616 (1) The amount of one billion nine hundred million dollars
617 (\$1,900,000,000) for new construction of school facilities of applicant
618 school districts under Chapter 12.5 (commencing with Section 17070.10)
619 of Part 10. Of the amount allocated under this paragraph, up to 10.5
620 percent shall be available for purposes of seismic repair, reconstruction, or
621 replacement, pursuant to Section 17075.10.

622 (2) The amount of five hundred million dollars (\$500,000,000) shall be
623 available for providing school facilities to charter schools pursuant to
624 Article 12 (commencing with Section 17078.52) of Chapter 12.5 of Part
625 10.

626 (3) The amount of three billion three hundred million dollars
627 (\$3,300,000,000) for the modernization of school facilities pursuant to
628 Chapter 12.5 (commencing with Section 17070.10) of Part 10.

629 (4) The amount of five hundred million dollars (\$500,000,000) for the
630 purposes set forth in Article 13 (commencing with Section 17078.70) of
631 Chapter 12.5 of Part 10, relating to facilities for career technical education
632 programs.

633 (5) Of the amounts allocated under paragraphs (1) and (3), up to two
634 hundred million dollars (\$200,000,000) for the purposes set forth in
635 Chapter 894 of the Statutes of 2004, relating to incentives for the creation
636 of smaller learning communities and small high schools.

637 (6) The amount of twenty-nine million dollars (\$29,000,000) for the
638 purposes set forth in Article 10.6 (commencing with Section 17077.40) of
639 Chapter 12.5 of Part 10, relating to joint use projects.

640 (7) The amount of one billion dollars (\$1,000,000,000) shall be
641 available for providing new construction funding to severely overcrowded
642 schoolsites pursuant to Article 14 (commencing with Section 17079) of
643 Chapter 12.5 of Part 10.

644 (8) The amount of one hundred million dollars (\$100,000,000) for
645 incentive grants to promote the use of designs and materials in new
646 construction and modernization projects that include the attributes of
647 high-performance schools, including, but not limited to, the elements set
648 forth in Section 17070.96, pursuant to regulations adopted by the State
649 Allocation Board.

650 (b) School districts may use funds allocated pursuant to paragraph (3)
651 of subdivision (a) only for one or more of the following purposes in
652 accordance with Chapter 12.5 (commencing with Section 17070.10) of
653 Part 10:

654 (1) The purchase and installation of air-conditioning equipment and
655 insulation materials, and related costs.

656 (2) Construction projects or the purchase of furniture or equipment
657 designed to increase school security or playground safety.

658 (3) The identification, assessment, or abatement in school facilities of
659 hazardous asbestos.

660 (4) Project funding for high-priority roof replacement projects.

661 (5) Any other modernization of facilities pursuant to Chapter 12.5
662 (commencing with Section 17070.10) of Part 10.

663 (c) Funds allocated pursuant to paragraph (1) of subdivision (a) may
664 also be utilized to provide new construction grants for eligible applicant
665 county boards of education under Chapter 12.5 (commencing with Section
666 17070.10) of Part 10 for funding classrooms for severely handicapped
667 pupils, or for funding classrooms for county community school pupils.

668 (d) (1) The Legislature may amend this section to adjust the funding
669 amounts specified in paragraphs (1) to (8), inclusive, of subdivision (a),
670 only by either of the following methods:
671 (A) By a statute, passed in each house of the Legislature by rollcall vote
672 entered in the respective journals, by not less than two-thirds of the
673 membership in each house concurring, if the statute is consistent with, and
674 furthers the purposes of, this chapter.
675 (B) By a statute that becomes effective only when approved by the
676 voters.
677 (2) Amendments pursuant to this subdivision may adjust the amounts to
678 be expended pursuant to paragraphs (1) to (8), inclusive, of subdivision
679 (a), but may not increase or decrease the total amount to be expended
680 pursuant to that subdivision.
681 (e) Funds available pursuant to this section may be used for acquisition
682 of school facilities authorized pursuant to Section 17280.5.

683 Article 2. Kindergarten Through 12th Grade School Facilities Fiscal
684 Provisions

685 101020. (a) Of the total amount of bonds authorized to be issued and
686 sold pursuant to Chapter 1 (commencing with Section 101000), bonds in
687 the amount of seven billion three hundred twenty-nine million dollars
688 (\$7,329,000,000) not including the amount of any refunding bonds issued
689 in accordance with Section 101030, or so much thereof as is necessary,
690 may be issued and sold to provide a fund to be used for carrying out the
691 purposes expressed in this chapter and to reimburse the General Obligation
692 Bond Expense Revolving Fund pursuant to Section 16724.5 of the
693 Government Code. The bonds, when sold, shall be and constitute a valid
694 and binding obligation of the State of California, and the full faith and
695 credit of the State of California is hereby pledged for the punctual payment
696 of the principal of, and interest on, the bonds as the principal and interest
697 become due and payable.
698 (b) Pursuant to this section, the Treasurer shall sell the bonds
699 authorized by the State School Building Finance Committee established
700 pursuant to Section 15909 at any different times necessary to service
701 expenditures required by the apportionments.
702 101021. The State School Building Finance Committee, established by
703 Section 15909 and composed of the Governor, the Controller, the
704 Treasurer, the Director of Finance, and the Superintendent, or their
705 designated representatives, all of whom shall serve thereon without
706 compensation, and a majority of whom shall constitute a quorum, is
707 continued in existence for the purpose of this chapter. The Treasurer shall
708 serve as chairperson of the committee. Two Members of the Senate
709 appointed by the Senate Committee on Rules, and two Members of the
710 Assembly appointed by the Speaker of the Assembly, shall meet with and
711 provide advice to the committee to the extent that the advisory

712 participation is not incompatible with their respective positions as
713 Members of the Legislature. For the purposes of this chapter, the Members
714 of the Legislature shall constitute an interim investigating committee on
715 the subject of this chapter and, as that committee, shall have the powers
716 granted to, and duties imposed upon, those committees by the Joint Rules
717 of the Senate and the Assembly. The Director of Finance shall provide
718 assistance to the committee as it may require. The Attorney General of the
719 state is the legal adviser of the committee.

720 101022. (a) The bonds authorized by this chapter shall be prepared,
721 executed, issued, sold, paid, and redeemed as provided in the State General
722 Obligation Bond Law (Chapter 4 (commencing with Section 16720) of
723 Part 3 of Division 4 of Title 2 of the Government Code), and all of the
724 provisions of that law, except Section 16727 of the Government Code to
725 the extent that it conflicts with this part, apply to the bonds and to this
726 chapter and are hereby incorporated into this chapter as though set forth in
727 full within this chapter.

728 (b) For purposes of the State General Obligation Bond Law, the State
729 Allocation Board is designated the “board” for purposes of administering
730 the 2006 State School Facilities Fund.

731 101023. (a) Upon request of the State Allocation Board, the State
732 School Building Finance Committee shall determine whether or not it is
733 necessary or desirable to issue bonds authorized pursuant to this chapter in
734 order to fund the apportionments and, if so, the amount of bonds to be
735 issued and sold. Successive issues of bonds may be authorized and sold to
736 fund those apportionments progressively, and it is not necessary that all of
737 the bonds authorized to be issued be sold at any one time.

738 (b) A request of the State Allocation Board pursuant to subdivision (a)
739 shall be supported by a statement of the apportionments made and to be
740 made for the purposes described in Sections 101011 and 101012.

741 101024. There shall be collected each year and in the same manner and
742 at the same time as other state revenue is collected, in addition to the
743 ordinary revenues of the state, a sum in an amount required to pay the
744 principal of, and interest on, the bonds each year. It is the duty of all
745 officers charged by law with any duty in regard to the collection of the
746 revenue to do and perform each and every act that is necessary to collect
747 that additional sum.

748 101025. Notwithstanding Section 13340 of the Government Code,
749 there is hereby appropriated from the General Fund in the State Treasury,
750 for the purposes of this chapter, an amount that will equal the total of the
751 following:

752 (a) The sum annually necessary to pay the principal of, and interest on,
753 bonds issued and sold pursuant to this chapter, as the principal and interest
754 become due and payable.

755 (b) The sum necessary to carry out Section 101028, appropriated
756 without regard to fiscal years.

757 101026. The State Allocation Board may request the Pooled Money
758 Investment Board to make a loan from the Pooled Money Investment

759 Account or any other approved form of interim financing, in accordance
760 with Section 16312 of the Government Code, for the purpose of carrying
761 out this chapter. The amount of the request shall not exceed the amount of
762 the unsold bonds that the committee, by resolution, has authorized to be
763 sold for the purpose of carrying out this chapter. The board shall execute
764 any documents required by the Pooled Money Investment Board to obtain
765 and repay the loan. Any amounts loaned shall be deposited in the fund to
766 be allocated by the board in accordance with this chapter.

767 101027. Notwithstanding any other provision of this chapter, or of the
768 State General Obligation Bond Law, if the Treasurer sells bonds pursuant
769 to this chapter that include a bond counsel opinion to the effect that the
770 interest on the bonds is excluded from gross income for federal tax
771 purposes, subject to designated conditions, the Treasurer may maintain
772 separate accounts for the investment of bond proceeds and for the
773 investment earnings on those proceeds. The Treasurer may use or direct
774 the use of those proceeds or earnings to pay any rebate, penalty, or other
775 payment required under federal law or take any other action with respect
776 to the investment and use of those bond proceeds required or desirable
777 under federal law to maintain the tax-exempt status of those bonds and to
778 obtain any other advantage under federal law on behalf of the funds of this
779 state.

780 101028. For the purposes of carrying out this chapter, the Director of
781 Finance may authorize the withdrawal from the General Fund of an
782 amount not to exceed the amount of the unsold bonds that have been
783 authorized by the State School Building Finance Committee to be sold for
784 the purpose of carrying out this chapter. Any amounts withdrawn shall be
785 deposited in the 2006 State School Facilities Fund consistent with this
786 chapter. Any money made available under this section shall be returned to
787 the General Fund, plus an amount equal to the interest that the money
788 would have earned in the Pooled Money Investment Account, from
789 proceeds received from the sale of bonds for the purpose of carrying out
790 this chapter.

791 101029. All money deposited in the 2006 State School Facilities Fund,
792 that is derived from premium and accrued interest on bonds sold shall be
793 reserved in the fund and shall be available for transfer to the General Fund
794 as a credit to expenditures for bond interest.

795 101030. The bonds may be refunded in accordance with Article 6
796 (commencing with Section 16780) of Chapter 4 of Part 3 of Division 4 of
797 Title 2 of the Government Code, which is a part of the State General
798 Obligation Bond Law. Approval by the voters of the state for the issuance
799 of the bonds described in this chapter includes the approval of the issuance
800 of any bonds issued to refund any bonds originally issued under this
801 chapter or any previously issued refunding bonds.

802 101031. The Legislature hereby finds and declares that, inasmuch as
803 the proceeds from the sale of bonds authorized by this chapter are not
804 “proceeds of taxes” as that term is used in Article XIII B of the California

805 Constitution, the disbursement of these proceeds is not subject to the
806 limitations imposed by that article.

807 Chapter 3. California Community College Facilities

808 Article 1. General

809 101032. (a) The 2006 California Community College Capital Outlay
810 Bond Fund is hereby established in the State Treasury for deposit of funds
811 from the proceeds of bonds issued and sold for the purposes of this
812 chapter.

813 (b) The Higher Education Facilities Finance Committee established
814 pursuant to Section 67353 is hereby authorized to create a debt or debts,
815 liability or liabilities, of the State of California pursuant to this chapter for
816 the purpose of providing funds to aid the California Community Colleges.

817 Article 2. California Community College Program Provisions

818 101033. (a) From the proceeds of bonds issued and sold pursuant to
819 Article 3 (commencing with Section 101034), the sum of one billion five
820 hundred seven million dollars (\$1,507,000,000) shall be deposited in the
821 2006 California Community College Capital Outlay Bond Fund for the
822 purposes of this article. When appropriated, these funds shall be available
823 for expenditure for the purposes of this article.

824 (b) The purposes of this article include assisting in meeting the capital
825 outlay financing needs of the California Community Colleges.

826 (c) Proceeds from the sale of bonds issued and sold for the purposes of
827 this article may be used to fund construction on existing campuses,
828 including the construction of buildings and the acquisition of related
829 fixtures, construction of facilities that may be used by more than one
830 segment of public higher education (intersegmental), the renovation and
831 reconstruction of facilities, site acquisition, the equipping of new,
832 renovated, or reconstructed facilities, which equipment shall have an
833 average useful life of 10 years; and to provide funds for the payment of
834 preconstruction costs, including, but not limited to, preliminary plans and
835 working drawings for facilities of the California Community Colleges.

836 Article 3. California Community College Fiscal Provisions

837 101034. (a) Of the total amount of bonds authorized to be issued and
838 sold pursuant to Chapter 1 (commencing with Section 101000), bonds in
839 the total amount of one billion five hundred seven million dollars
840 (\$1,507,000,000), not including the amount of any refunding bonds issued
841 in accordance with Section 101039, or so much thereof as is necessary,
842 may be issued and sold to provide a fund to be used for carrying out the
843 purposes expressed in this chapter and to reimburse the General Obligation

844 Bond Expense Revolving Fund pursuant to Section 16724.5 of the
845 Government Code. The bonds, when sold, shall be and constitute a valid
846 and binding obligation of the State of California, and the full faith and
847 credit of the State of California is hereby pledged for the punctual payment
848 of the principal of, and interest on, the bonds as the principal and interest
849 become due and payable.

850 (b) It is the intent of the Legislature that the California Community
851 Colleges annually consider, as part of their annual capital outlay planning
852 process, the inclusion of facilities that may be used by more than one
853 segment of public higher education (intersegmental), and, that on or before
854 May 15th of each year, those entities report their findings to the budget
855 committees of each house of the Legislature.

856 (c) Pursuant to this section, the Treasurer shall sell the bonds authorized
857 by the Higher Education Facilities Finance Committee established
858 pursuant to Section 67353 at any different times necessary to service
859 expenditures required by the apportionments.

860 101034.5. (a) The bonds authorized by this chapter shall be prepared,
861 executed, issued, sold, paid, and redeemed as provided in the State General
862 Obligation Bond Law (Chapter 4 (commencing with Section 16720) of
863 Part 3 of Division 4 of Title 2 of the Government Code), and all of the
864 provisions of that law, except Section 16727 of the Government Code to
865 the extent that it conflicts with this part, apply to the bonds and to this
866 chapter and are hereby incorporated into this chapter as though set forth in
867 full within this chapter.

868 (b) For the purposes of the State General Obligation Bond Law, each
869 state agency administering an appropriation of the 2006 Community
870 College Capital Outlay Bond Fund is designated as the "board" for
871 projects funded pursuant to this chapter.

872 (c) The proceeds of the bonds issued and sold pursuant to this chapter
873 shall be available for the purpose of funding aid to the California
874 Community Colleges for the construction on existing or new campuses,
875 and their respective off-campus centers and joint use and intersegmental
876 facilities, as set forth in this chapter.

877 101035. The Higher Education Facilities Finance Committee
878 established pursuant to Section 67353 shall authorize the issuance of
879 bonds under this chapter only to the extent necessary to fund the
880 apportionments for the purposes described in this chapter that are
881 expressly authorized by the Legislature in the annual Budget Act. Pursuant
882 to that legislative direction, the committee shall determine whether or not
883 it is necessary or desirable to issue bonds authorized pursuant to this
884 chapter in order to carry out the purposes described in this chapter and, if
885 so, the amount of bonds to be issued and sold. Successive issues of bonds
886 may be authorized and sold to carry out those actions progressively, and it
887 is not necessary that all of the bonds authorized to be issued be sold at any
888 one time.

889 101035.5. There shall be collected each year and in the same manner
890 and at the same time as other state revenue is collected, in addition to the

891 ordinary revenues of the state, a sum in an amount required to pay the
892 principal of, and interest on, the bonds each year. It is the duty of all
893 officers charged by law with any duty in regard to the collection of the
894 revenue to do and perform each and every act which is necessary to collect
895 that additional sum.

896 101036. Notwithstanding Section 13340 of the Government Code,
897 there is hereby appropriated from the General Fund in the State Treasury,
898 for the purposes of this chapter, an amount that will equal the total of the
899 following:

900 (a) The sum annually necessary to pay the principal of, and interest on,
901 bonds issued and sold pursuant to this chapter, as the principal and interest
902 become due and payable.

903 (b) The sum necessary to carry out Section 101037.5, appropriated
904 without regard to fiscal years.

905 101036.5. The board, as defined in subdivision (b) of Section
906 101034.5, may request the Pooled Money Investment Board to make a
907 loan from the Pooled Money Investment Account or any other approved
908 form of interim financing, in accordance with Section 16312 of the
909 Government Code, for the purpose of carrying out this chapter. The
910 amount of the request shall not exceed the amount of the unsold bonds that
911 the committee, by resolution, has authorized to be sold for the purpose of
912 carrying out this chapter. The board, as defined in subdivision (b) of
913 Section 101034.5, shall execute any documents required by the Pooled
914 Money Investment Board to obtain and repay the loan. Any amounts
915 loaned shall be deposited in the fund to be allocated by the board in
916 accordance with this chapter.

917 101037. Notwithstanding any other provision of this chapter, or of the
918 State General Obligation Bond Law, if the Treasurer sells bonds pursuant
919 to this chapter that include a bond counsel opinion to the effect that the
920 interest on the bonds is excluded from gross income for federal tax
921 purposes, subject to designated conditions, the Treasurer may maintain
922 separate accounts for the investment of bond proceeds and for the
923 investment earnings on those proceeds. The Treasurer may use or direct
924 the use of those proceeds or earnings to pay any rebate, penalty, or other
925 payment required under federal law or take any other action with respect
926 to the investment and use of those bond proceeds required or desirable
927 under federal law to maintain the tax-exempt status of those bonds and to
928 obtain any other advantage under federal law on behalf of the funds of this
929 state.

930 101037.5. (a) For the purposes of carrying out this chapter, the
931 Director of Finance may authorize the withdrawal from the General Fund
932 of an amount not to exceed the amount of the unsold bonds that have been
933 authorized by the Higher Education Facilities Finance Committee to be
934 sold for the purpose of carrying out this chapter. Any amounts withdrawn
935 shall be deposited in the 2006 California Community College Capital
936 Outlay Bond Fund consistent with this chapter. Any money made available
937 under this section shall be returned to the General Fund, plus an amount

938 equal to the interest that the money would have earned in the Pooled
939 Money Investment Account, from proceeds received from the sale of
940 bonds for the purpose of carrying out this chapter.

941 (b) Any request forwarded to the Legislature and the Department of
942 Finance for funds from this bond issue for expenditure for the purposes
943 described in this chapter by the California Community Colleges shall be
944 accompanied by the five-year capital outlay plan that reflects the needs
945 and priorities of the community college system and is prioritized on a
946 statewide basis. Requests shall include a schedule that prioritizes the
947 seismic retrofitting needed to significantly reduce, in the judgment of the
948 particular college, seismic hazards in buildings identified as high priority
949 by the college.

950 101038. All money deposited in the 2006 California Community
951 College Capital Outlay Bond Fund that is derived from premium and
952 accrued interest on bonds sold shall be reserved in the fund and shall be
953 available for transfer to the General Fund as a credit to expenditures for
954 bond interest.

955 101039. The bonds may be refunded in accordance with Article 6
956 (commencing with Section 16780) of Chapter 4 of Part 3 of Division 4 of
957 Title 2 of the Government Code, which is a part of the State General
958 Obligation Bond Law. Approval by the voters of the state for the issuance
959 of the bonds described in this chapter includes the approval of the issuance
960 of any bonds issued to refund any bonds originally issued under this
961 chapter or any previously issued refunding bonds.

962 101039.5. The Legislature hereby finds and declares that, inasmuch as
963 the proceeds from the sale of bonds authorized by this chapter are not
964 "proceeds of taxes" as that term is used in Article XIII B of the California
965 Constitution, the disbursement of these proceeds is not subject to the
966 limitations imposed by that article.

967 Chapter 4. University Facilities

968 Article 1. General

969 101040. (a) The system of public universities in this state includes the
970 University of California, the Hastings College of the Law, and the
971 California State University, and their respective off-campus centers.

972 (b) The 2006 University Capital Outlay Bond Fund is hereby
973 established in the State Treasury for deposit of funds from the proceeds of
974 bonds issued and sold for the purposes of this chapter.

975 (c) The Higher Education Facilities Finance Committee established
976 pursuant to Section 67353 is hereby authorized to create a debt or debts,
977 liability or liabilities, of the State of California pursuant to this chapter for
978 the purpose of providing funds to aid the University of California, the
979 Hastings College of the Law, and the California State University.

980 Article 2. Program Provisions Applicable to the University of
981 California and the Hastings College of the Law

982 101041. (a) From the proceeds of bonds issued and sold pursuant to
983 Article 4 (commencing with Section 101050), the sum of eight hundred
984 ninety million dollars (\$890,000,000) shall be deposited in the 2006
985 University Capital Outlay Bond Fund for the purposes of this article.
986 When appropriated, these funds shall be available for expenditure for the
987 purposes of this article.

988 (b) The purposes of this article include assisting in meeting the capital
989 outlay financing needs of the University of California and the Hastings
990 College of the Law.

991 (c) Of the amount made available under subdivision (a), the amount of
992 two hundred million dollars (\$200,000,000) shall be used for capital
993 improvements that expand and enhance medical education programs with
994 an emphasis on telemedicine aimed at developing high-tech approaches to
995 health care.

996 (d) Proceeds from the sale of bonds issued and sold for the purposes of
997 this article may be used to fund construction on existing campuses,
998 including the construction of buildings and the acquisition of related
999 fixtures, construction of facilities that may be used by more than one
1000 segment of public higher education (intersegmental), the renovation and
1001 reconstruction of facilities, site acquisition, the equipping of new,
1002 renovated, or reconstructed facilities, which equipment shall have an
1003 average useful life of 10 years; and to provide funds for the payment of
1004 preconstruction costs, including, but not limited to, preliminary plans and
1005 working drawings for facilities of the University of California and the
1006 Hastings College of the Law.

1007 Article 3. Program Provisions Applicable to the California State
1008 University

1009 101042. (a) From the proceeds of bonds issued and sold pursuant to
1010 Article 4 (commencing with Section 101050), the sum of six hundred
1011 ninety million dollars (\$690,000,000) shall be deposited in the 2006
1012 University Capital Outlay Bond Fund for the purposes of this article.
1013 When appropriated, these funds shall be available for expenditure for the
1014 purposes of this article.

1015 (b) The purposes of this article include assisting in meeting the capital
1016 outlay financing needs of the California State University.

1017 (c) Proceeds from the sale of bonds issued and sold for the purposes of
1018 this article may be used to fund construction on existing campuses,
1019 including the construction of buildings and the acquisition of related
1020 fixtures, construction of facilities that may be used by more than one
1021 segment of public higher education (intersegmental), the renovation and
1022 reconstruction of facilities, site acquisition, the equipping of new,

1023 renovated, or reconstructed facilities, which equipment shall have an
1024 average useful life of 10 years; and to provide funds for the payment of
1025 preconstruction costs, including, but not limited to, preliminary plans and
1026 working drawings for facilities of the California State University.

1027 Article 4. University Fiscal Provisions

1028 101050. (a) Of the total amount of bonds authorized to be issued and
1029 sold pursuant to Chapter 1 (commencing with Section 101000), bonds in
1030 the amount of one billion five hundred eighty million dollars
1031 (\$1,580,000,000), not including the amount of any refunding bonds issued
1032 in accordance with Section 101059, or so much thereof as is necessary,
1033 may be issued and sold to provide a fund to be used for carrying out the
1034 purposes expressed in this chapter and to reimburse the General Obligation
1035 Bond Expense Revolving Fund pursuant to Section 16724.5 of the
1036 Government Code. The bonds, when sold, shall be and constitute a valid
1037 and binding obligation of the State of California, and the full faith and
1038 credit of the State of California is hereby pledged for the punctual payment
1039 of the principal of, and interest on, the bonds as the principal and interest
1040 become due and payable.

1041 (b) It is the intent of the Legislature that the University of California
1042 and the California State University annually consider, as part of their
1043 annual capital outlay planning process, the inclusion of facilities that may
1044 be used by more than one segment of public higher education
1045 (intersegmental), and, that on or before May 15th of each year, those
1046 entities report their findings to the budget committees of each house of the
1047 Legislature.

1048 (c) Pursuant to this section, the Treasurer shall sell the bonds authorized
1049 by the Higher Education Facilities Finance Committee established
1050 pursuant to Section 67353 at any different times necessary to service
1051 expenditures required by the apportionments.

1052 101051. (a) The bonds authorized by this chapter shall be prepared,
1053 executed, issued, sold, paid, and redeemed as provided in the State General
1054 Obligation Bond Law (Chapter 4 (commencing with Section 16720) of
1055 Part 3 of Division 4 of Title 2 of the Government Code), and all of the
1056 provisions of that law, except Section 16727 of the Government Code to
1057 the extent that it conflicts with this part, apply to the bonds and to this
1058 chapter and are hereby incorporated into this chapter as though set forth in
1059 full within this chapter.

1060 (b) For the purposes of the State General Obligation Bond Law, each
1061 state agency administering an appropriation of the 2006 University Capital
1062 Outlay Bond Fund is designated as the "board" for projects funded
1063 pursuant to this chapter.

1064 (c) The proceeds of the bonds issued and sold pursuant to this chapter
1065 shall be available for the purpose of funding aid to the University of
1066 California, the Hastings College of the Law, and the California State

1067 University, for the construction on existing or new campuses, and their
1068 respective off-campus centers and joint use and intersegmental facilities,
1069 as set forth in this chapter.

1070 101052. The Higher Education Facilities Finance Committee
1071 established pursuant to Section 67353 shall authorize the issuance of
1072 bonds under this chapter only to the extent necessary to fund the
1073 apportionments for the purposes described in this chapter that are
1074 expressly authorized by the Legislature in the annual Budget Act. Pursuant
1075 to that legislative direction, the committee shall determine whether or not
1076 it is necessary or desirable to issue bonds authorized pursuant to this
1077 chapter in order to carry out the purposes described in this chapter and, if
1078 so, the amount of bonds to be issued and sold. Successive issues of bonds
1079 may be authorized and sold to carry out those actions progressively, and it
1080 is not necessary that all of the bonds authorized to be issued be sold at any
1081 one time.

1082 101053. There shall be collected each year and in the same manner and
1083 at the same time as other state revenue is collected, in addition to the
1084 ordinary revenues of the state, a sum in an amount required to pay the
1085 principal of, and interest on, the bonds each year. It is the duty of all
1086 officers charged by law with any duty in regard to the collection of the
1087 revenue to do and perform each and every act which is necessary to collect
1088 that additional sum.

1089 101054. Notwithstanding Section 13340 of the Government Code,
1090 there is hereby appropriated from the General Fund in the State Treasury,
1091 for the purposes of this chapter, an amount that will equal the total of the
1092 following:

1093 (a) The sum annually necessary to pay the principal of, and interest on,
1094 bonds issued and sold pursuant to this chapter, as the principal and interest
1095 become due and payable.

1096 (b) The sum necessary to carry out Section 101057, appropriated
1097 without regard to fiscal years.

1098 101055. The board, as defined in subdivision (b) of Section 101051,
1099 may request the Pooled Money Investment Board to make a loan from the
1100 Pooled Money Investment Account or any other approved form of interim
1101 financing, in accordance with Section 16312 of the Government Code, for
1102 the purpose of carrying out this chapter. The amount of the request shall
1103 not exceed the amount of the unsold bonds that the committee, by
1104 resolution, has authorized to be sold for the purpose of carrying out this
1105 chapter. The board, as defined in subdivision (b) of Section 101051, shall
1106 execute any documents required by the Pooled Money Investment Board
1107 to obtain and repay the loan. Any amounts loaned shall be deposited in the
1108 fund to be allocated by the board in accordance with this chapter.

1109 101056. Notwithstanding any other provision of this chapter, or of the
1110 State General Obligation Bond Law, if the Treasurer sells bonds pursuant
1111 to this chapter that include a bond counsel opinion to the effect that the
1112 interest on the bonds is excluded from gross income for federal tax
1113 purposes, subject to designated conditions, the Treasurer may maintain

1114 separate accounts for the investment of bond proceeds and for the
1115 investment earnings on those proceeds. The Treasurer may use or direct
1116 the use of those proceeds or earnings to pay any rebate, penalty, or other
1117 payment required under federal law or take any other action with respect
1118 to the investment and use of those bond proceeds required or desirable
1119 under federal law to maintain the tax-exempt status of those bonds and to
1120 obtain any other advantage under federal law on behalf of the funds of this
1121 state.

1122 101057. (a) For the purposes of carrying out this chapter, the Director
1123 of Finance may authorize the withdrawal from the General Fund of an
1124 amount not to exceed the amount of the unsold bonds that have been
1125 authorized by the Higher Education Facilities Finance Committee to be
1126 sold for the purpose of carrying out this chapter. Any amounts withdrawn
1127 shall be deposited in the 2006 University Capital Outlay Bond Fund
1128 consistent with this chapter. Any money made available under this section
1129 shall be returned to the General Fund, plus an amount equal to the interest
1130 that the money would have earned in the Pooled Money Investment
1131 Account, from proceeds received from the sale of bonds for the purpose of
1132 carrying out this chapter.

1133 (b) Any request forwarded to the Legislature and the Department of
1134 Finance for funds from this bond issue for expenditure for the purposes
1135 described in this chapter by the University of California, the Hastings
1136 College of the Law, or the California State University shall be
1137 accompanied by the five-year capital outlay plan. Requests forwarded by a
1138 university or college shall include a schedule that prioritizes the seismic
1139 retrofitting needed to significantly reduce, in the judgment of the particular
1140 university or college, seismic hazards in buildings identified as high
1141 priority by the university or college.

1142 101058. All money deposited in the 2006 University Capital Outlay
1143 Bond Fund that is derived from premium and accrued interest on bonds
1144 sold shall be reserved in the fund and shall be available for transfer to the
1145 General Fund as a credit to expenditures for bond interest.

1146 101059. The bonds may be refunded in accordance with Article 6
1147 (commencing with Section 16780) of Chapter 4 of Part 3 of Division 4 of
1148 Title 2 of the Government Code, which is a part of the State General
1149 Obligation Bond Law. Approval by the voters of the state for the issuance
1150 of the bonds described in this chapter includes the approval of the issuance
1151 of any bonds issued to refund any bonds originally issued under this
1152 chapter or any previously issued refunding bonds.

1153 101060. The Legislature hereby finds and declares that, inasmuch as
1154 the proceeds from the sale of bonds authorized by this chapter are not
1155 “proceeds of taxes” as that term is used in Article XIII B of the California
1156 Constitution, the disbursement of these proceeds is not subject to the
1157 limitations imposed by that article.

1158 SEC. 17. Section 65997 of the Government Code is amended to read:
1159 65997. (a) The following provisions shall be the exclusive methods of
1160 mitigating environmental effects related to the adequacy of school

1161 facilities when considering the approval or the establishment of conditions
1162 for the approval of a development project, as defined in Section 17620 of
1163 the Education Code, pursuant to Division 13 (commencing with Section
1164 21000) of the Public Resources Code:
1165 (1) Chapter 12 (commencing with Section 17000) of, or Chapter 12.5
1166 (commencing with Section 17070.10) of, Part 10 of the Education Code.
1167 (2) Chapter 14 (commencing with Section 17085) of Part 10 of the
1168 Education Code.
1169 (3) Chapter 18 (commencing with Section 17170) of Part 10 of the
1170 Education Code.
1171 (4) Article 2.5 (commencing with Section 17430) of Chapter 4 of Part
1172 10.5 of the Education Code.
1173 (5) Section 17620 of the Education Code.
1174 (6) Chapter 2.5 (commencing with Section 53311) of Division 2 of
1175 Title 5.
1176 (7) Chapter 4.7 (commencing with Section 65970) of Division 1 of
1177 Title 7.
1178 (b) A public agency may not, pursuant to Division 13 (commencing
1179 with Section 21000) of the Public Resources Code or Division 2
1180 (commencing with Section 66410) of this code, deny approval of a project
1181 on the basis of the adequacy of school facilities.
1182 (c) (1) This section shall become operative on or after any statewide
1183 election in 2012, if a statewide general obligation bond measure submitted
1184 for voter approval in 2012 or thereafter that includes bond issuance
1185 authority to fund construction of kindergarten and grades 1 to 12,
1186 inclusive, public school facilities is submitted to the voters and fails to be
1187 approved.
1188 (2) (A) This section shall become inoperative if subsequent to the
1189 failure of a general obligation bond measure described in paragraph (1) a
1190 statewide general bond measure as described in paragraph (1) is approved
1191 by the voters.
1192 (B) Thereafter, this section shall become operative if a statewide
1193 general obligation bond measure submitted for voter approval that includes
1194 bond issuance authority to fund construction of kindergarten and grades 1
1195 to 12, inclusive, public school facilities is submitted to the voters and fails
1196 to be approved and shall become inoperative if subsequent to the failure of
1197 the general obligation bond measure a statewide bond measure as
1198 described in this subparagraph is approved by the voters.
1199 (d) Notwithstanding any other provision of law, a public agency may
1200 deny or refuse to approve a legislative act involving, but not limited to, the
1201 planning, use, or development of real property, on the basis that school
1202 facilities are inadequate, except that a public agency may not require the
1203 payment or satisfaction of a fee, charge, dedication, or other financial
1204 requirement in excess of that levied or imposed pursuant to Section 65995
1205 and, if applicable, any amounts specified in Sections 65995.5 or 65995.7.
1206 SEC. 18. Section 4 of Chapter 421 of the Statutes of 2001 is amended
1207 to read:

1208 Sec. 4. This act shall remain in effect only until January 1, 2010, and as
1209 of that date is repealed, unless a later enacted statute, that is enacted before
1210 January 1, 2010, deletes or extends that date.

1211 SEC. 19. Section 4 of Chapter 637 of the Statutes of 2002 is amended
1212 to read:

1213 Sec. 4. This act shall remain in effect only until January 1, 2011, and as
1214 of that date is repealed, unless a later enacted statute, that is enacted before
1215 January 1, 2011, deletes or extends that date.

1216 SEC. 20. (a) Up to twenty-one million dollars (\$21,000,000) of any
1217 funds that are required to be made available for rehabilitation or
1218 construction of joint-use facilities for public schools and that result or are
1219 derived from the sale of bonds issued on or before January 1, 2006, shall
1220 be transferred to the State Allocation Board and may be apportioned by
1221 that board for the purposes of Article 10.6 (commencing with Section
1222 17077.40) of Chapter 12.5 of Part 10 of the Education Code.

1223 (b) Any funds remaining after the transfer required under subdivision
1224 (a) that conform to the description set forth in that subdivision shall be
1225 transferred to the State Allocation Board and may be apportioned by that
1226 board for any of the purposes of Chapter 12.5 (commencing with Section
1227 17070.10) of Part 10 of the Education Code.

1228 SEC. 21. The Secretary of State shall submit Sections 16 and 20 of this
1229 act to the voters at the November 7, 2006, statewide general election.

1230 SEC. 22. Notwithstanding any other provision of law, with respect to
1231 the Kindergarten-University Public Education Facilities Bond Act of 2006,
1232 as set forth in Section 16 of this act, all ballots of the November 7, 2006,
1233 statewide general election shall have printed thereon and in a square
1234 thereof, exclusively the words: "Kindergarten-University Public Education
1235 Facilities Bond Act of 2006" and in the same square under those words,
1236 the following in 8-point type:

1237 "This ten billion four hundred sixteen million dollar (\$10,416,000,000)
1238 bond issue will provide needed funding to relieve public school
1239 overcrowding and to repair older schools. It will improve earthquake
1240 safety and fund vocational educational facilities in public schools. Bond
1241 funds must be spent according to strict accountability measures. Funds will
1242 also be used to repair and upgrade existing public college and university
1243 buildings and to build new classrooms to accommodate the growing
1244 student enrollment in the California Community Colleges, the University
1245 of California, and the California State University."

1246 Opposite the square, there shall be left spaces in which the voters may
1247 place a cross in the manner required by law to indicate whether they vote
1248 for or against the act.

1249 SEC. 23. Notwithstanding Sections 13247 and 13281 of the Elections
1250 Code, the language in Section 22 shall be the only language included in
1251 the ballot label for the condensed statement of the ballot title, and the
1252 Attorney General shall not supplement, subtract from, or revise that
1253 language, except that the Attorney General may include the financial
1254 impact summary prepared pursuant to Section 9087 of the Elections Code

1255 and Section 88003 of the Government Code. The ballot label is the
1256 condensed statement of the ballot title and the financial impact summary.
1257 SEC. 24. The provisions of this act are severable. If any provision of
1258 this act or its application is held invalid, that invalidity shall not affect
1259 other provisions or applications that can be given effect without the invalid
1260 provision or application.
1261 SEC. 25. Sections 1 to 15, inclusive, and Sections 18 and 19 of this act
1262 shall become operative only if the voters approve the
1263 Kindergarten-University Public Education Facilities Bond Act of 2006, as
1264 set forth in Section 16 of this act.
1265 SEC. 26. This act is an urgency statute necessary for the immediate
1266 preservation of the public peace, health, or safety within the meaning of
1267 Article IV of the Constitution and shall go into immediate effect. The facts
1268 constituting the necessity are:
1269 In order to ensure, at the earliest possible time, that the electorate is
1270 provided with the opportunity to vote on the financing of necessary
1271 educational facilities at the November 7, 2006, statewide general election,
1272 including related statutory changes, it is necessary that this act take effect
1273 immediately.